Business Week
18 June - 24 June

Finish Line acquires Genesco

18 June 2007

Management at US-based athletic apparel and footwear retailer The Finish Line, Inc. and footwear, headwear and accessories retailer Genesco Inc. have unanimously approved a merger agreement under which The Finish Line will acquire all of the outstanding common shares of Genesco for $54.50 per share in cash. The total transaction value is approximately $1.5 billion and is expected to be completed by autumn 2007.

The transaction is expected to generate approximately $15 million to $20 million in annual cost savings beginning in the first full year of operations. Genesco will become a subsidiary of The Finish Line and the company will be headquartered in Indianapolis, Indiana, while maintaining Genesco's operations in Nashville, Tennessee. It is subject to approval by Genesco shareholders and the satisfaction of customary closing conditions and regulatory approvals.

The Finish Line will have greater opportunity for future growth with 2,870 retail stores throughout the United States, Canada and Puerto Rico.

New appointments at Gerber Technology

18 June 2007

Connecticut-based developer and manufacturer of integrated software and hardware automation systems for the sewn products and flexible materials industries Gerber Technology has appointed Ron Ellis product manager for Multi-Ply Cutting Systems, including Gerber's controls software products—CutWorks, C200 and CutWorks MPC.

Mr Ellis, who most recently served as product manager for the company's plotter and peripheral (PNP) business, will continue to report to director, hardware systems product management, Todd Rhodes.

Meanwhile, Gerber has named Hal Osthus as executive director, Industrial Markets and Business Development, reporting directly to John Hancock, resident of Gerber Technology.

Having joined the company in 1984, Mr Osthus has served as general manager, Computerized Manufacturing Systems and Cutting Edge Systems (CMS/CES), director, CAD/CAM/CMS Marketing Services, and director, Hardware Product Management. He most recently served as executive director of Product Management.

Synthetic fibre and fibre intermediate prices rise significantly

18 June 2007

Dublin-based research company Research and Markets has reported an significant increase in prices for synthetic fibre and fibre intermediate prices in early 2007 in its new study, 'Global Trends in Fibre Production, Consumption and Prices, May 2007 Edition'.

It states that global man-made fibre production continued to rise in 2006 but at a slower pace than in 2005. In 2006, output was up 3.9% to 37.5 million tons—due to strong growth in China—following a 5.8% hike in 2005. Synthetics accounted for a larger proportion of the 2006 increase, particularly in the polyester sector, though cellulosics were also up 10%. Prices for synthetic fibres and fibre intermediates increased significantly in the first four months of 2007, with increases mostly taking place in Asia.

Output of natural fibres rose by 1.6% in 2006 after a 5.8% decline in 2005. The rise was driven by a 1.7% increase in cotton output following a 6.2% decrease in 2005. However, the decline in the wool clip continued. The share of natural fibres in total fibre output fell from 41.9% to 41.4%. Cotton demand is expected to rise by 4.4% in the 2006/07 season, mainly as a result of higher usage in China and South Asia. Output, meanwhile, will be up by 2.6% according to the International Cotton Advisory Committee (ICAC).

Cotton buyers remain resistant to price increases and, with no major changes in supply or demand, prices will remain steady. According to the ICAC, the cotton price will average 62 cents/lb in 2006/07, 4 cents/lb more than in 2005/06. It will remain at that level, or slightly higher, for the 2007/08 season. Wool prices rose sharply in the latter part of 2006 and in early 2007 due to concerns over the effect of the drought on the Australian clip combined with rising demand at the retail level and a consequent increase in orders in the wool textile industry. However, global demand is being sustained largely by consumption in China.

Workers and students boycott American Eagle

18 June 2007

US and Canadian university students have joined apparel and service workers in a boycott of casual and

sportswear clothing designer American Eagle Outfitters, pledging not to purchase clothing from the chain store until it enforces its code of conduct at the company's Canadian distribution contractor, National Logistics Services (NLS).

Since American Eagle sold its Canadian distribution operations to NLS, which it owned and operated until early 2006, workers have reported that conditions have deteriorated, wages have stagnated and that there is now little job security. Furthermore, they have reportedly faced harassment and intimidation when they trying to form a union, in spite of American Eagle's code of conduct for vendors and contractors which specifically protects freedom of association and other basic rights for the employees of its contractors.

Paxar merger completed

18 June 2007

The stockholders of RFID and labelling supplier Paxar Corporation have approved the company's merger with Avery Dennison Corporation and Alpha Acquisition Corp.—a wholly-owned subsidiary of Avery Dennison.

Having received stockholder approval, and fulfilled all other conditions related to the deal, the parties have consummated the merger of Alpha Acquisition with, and into, Paxar.

Brasher to debut at OutDoor Friedrichshafen

18 June 2007

UK-based producer of outdoor footwear and equipment Brasher, part of the Pentland Group, will exhibit for the first time at OutDoor Friedrichshafen on July 19-22, where the company will showcase its spring/summer 2008 products under two new categories—Performance and Classic.

Puma acquisition cleared

18 June 2007

The European and American competition authorities have approved the planned acquisition of a 27.1% stake in German sportswear brand Puma by French luxury goods group PPR.

The current offer of €330 per share, which expires on June 20, has already been accepted by the Puma management and supervisory boards.

Skechers launches in Brazil

18 June 2007

US-based men's, ladies' and children's athletic and casual footwear producer Skechers recently held a party in São Paulo to mark the official launch of the company, and its Skechers, Ecko and Zoo York brands, in the Brazilian market.

The company will produce some of the ladies' collections at a new factory in Rio Grande do Sul, and plans to further expand production in the Latin American country in the future.

Commenting on the move, Luis Alfredo Maia, general manager of Skechers Brazil and Argentina, said, "Skechers comes to Brazil with big plans and is betting on this market. We shall work on the same concept as we do in the United States focusing on the young casual market. In the beginning, we will be launching 120 different styles as well as styles from the Ecko and Zoo York ranges." He added, "We will start production in Brazil little by little. First, we will develop some of the styles in the ladies' range; however, our objective is to expand our production further."

Kellwood buys Royal Robbins from Phoenix

19 June 2007

California-based footwear, apparel and accessories company Phoenix Footwear Group, Inc. is to sell its Royal Robbins apparel division to clothing and soft goods marketer Kellwood Company for approximately $40 million in cash. The boards of directors for both companies have unanimously approved the transaction, which is expected to close within the next 30 days, subject to customary closing conditions.

Phoenix Footwear expects to report a pre-tax gain of approximately $23 million for the sale, having acquired the brand on October 31, 2003, for $11.7 million. Founded in 1968 by outdoor enthusiasts, Royal and Liz Robbins, its Go Everywhere line of technical clothing gear, featuring lightweight, wrinkle-resistant Supplex nylon, is often used by hikers, kayakers and other outdoor enthusiasts. In 2006, the brand's sales totalled $32 million compared with $25 million and $21 million in 2005 and 2004, respectively.

23,200 visitors at Techtextil and Avantex

19 June 2007

Technical textiles and 'intelligent apparel' fairs, Techtextil and Avantex—which ran concurrently from June 12-14 in Frankfurt, Germany—attracted a record 23,200 trade

visitors from 80 countries this year compared with 21,730 in 2005. The proportion of foreign visitors rose 8% to 54% with Italy, France and the UK among the best represented countries. 1,086 exhibitors participated at Techtextil, while 33 exhibitors showcased at the fourth edition of Avantex.

120 seminars and expert lectures took place, at which speakers from both Germany and overseas discussed research and development and technology. Lyon-based technical textiles consultant and chairman of the 'Composites' lecture block, Dr Guy Némoz, reported considerable interest in carbon fibres and composites. Among the most popular products were woven fabrics and fibres, textile finishes, reinforcement textiles, composites and innovative garments.

Future-oriented product innovations were awarded at a ceremony with the presentation of six Techtextil Innovation Prizes and three Avantex Innovation Prizes. The winners come from Germany, France, Switzerland and the UK. The prize-winning projects of the ninth Student Competition, 'Textile Structures for New Building', came from Germany, Austria, Mexico and the USA.

The next Techtextil and Avantex trade fairs will be held in Frankfurt am Main from June 16-18, 2009.

China reduces apparel export rebates

19 June 2007

Reports indicate that China is to cut export rebates for more than one-third of its export segments—more than 2,000 product types—in an attempt to reduce accumulated stocks of certain items. Rebates for apparel, footwear and bags will be reduced, while leather export rebates will be cancelled entirely, effective July 1.

A government statement suggested that prices for these items are likely to increase, which should curb the “rapid increase” of exports. It added that, although this would impact upon low value-added, low technology products, the majority of exports will be largely unaffected. The government is also encouraging an increase in domestic demand for these products in order to help control export figures. As a result of the value of the Chinese currency, export prices have decreased, while export volume increased by almost 28% in the first quarter, ahead of import growth.

Government sanctions Skillfast-UK fashion academy

19 June 2007

Skillfast-UK, the Sector Skills Council for apparel, footwear and textiles, has had its plans to open a National Skills Academy (NSA) for the fashion, textiles and jewellery sectors approved by the UK Department for Education and Skills.

Backed by a number of further education institutes and centres of vocational training across the UK, the NSA will provide a learning programme tailored to the needs of each individual and employer.

Skillfast-UK hopes to complete a detailed business plan for the academy by early next year with its first courses starting in September 2008.

Klopman buys equipment for new dye range

19 June 2007

UK-based manufacturer of polyester/cotton and cotton fabrics for the work wear, protective wear and casual apparel markets Klopman International is to purchase new advanced equipment for its European manufacturing headquarters in Frosinone, Italy.

Its new dye range is designed to enhance colour retention, consistency and performance. The facility will also offer environmental benefits as it uses less energy and produces less waste than conventional dye ranges.

Ever-Glory receives $1 million order from Levi Strauss

20 June 2007

Chinese apparel manufacturer Ever-Glory International Group, Inc. has received an order totalling approximately $1 million for this year from new customer Levi Strauss (Hong Kong) Limited. The order mainly consists of cargo pants and chino trousers.

The partnership between the two companies was formed in the latter half of 2006 and Ever-Glory's chairman, president and chief executive officer Yihua Kang expressed the importance of this working relationship to the company as it attempts to increase its presence in the high-end casual apparel market. “We believe the increased production capacity from our New-Tailun subsidiary and commitment to quality control will attract more world-class clients globally,” he added.

Levi Strauss (HK) Limited, established in 1995, is one of 14 Levi Strauss & Co. affiliates in the Asia Pacific Division.

SunSoul launches skin-friendly active wear

20 June 2007

Toronto-based technology company SunSoul Inc. has launched its first apparel range.

Its blumöd surf and casual wear line, which includes shirts and hats, is designed to be both comfortable and skin-friendly. The collection is made from the company's therapeutic fluorescent material which, according to president Tim Brown, captures waves of sunlight and amplifies them to help eradicate skin bacteria.

The company's executive team includes scientists, dermatological experts and medical professionals. Chairman Dr Michael Kreindel is an expert in light-based technologies and has written numerous scientific publications.

The collection will be launched across the US this summer.

Lanxess' Innovation Day focuses on R & D

20 June 2007

North Rhine-Westphalian Minister for Innovation, Science, Research and Technology, Professor Andreas Pinkwart, officially opened the first Innovation Day organised by Leverkusen-based chemical company Lanxess. More than 200 of the company's experts presented research projects at the event, which took place June 14.

Chairman of the board, Dr Axel Heitmann, emphasised the importance of research and development. "We can only achieve long-term success in international competition with product and technology innovations that meet the needs of the market," he said.

The board commended the best project entries in the following four categories: Product Development - New Chemistry; Product Development – Applications; Technology/Formulation; and Process Optimisation and Ecology.

The company is to assign over €100 million for research and development this year, an increase of more than €10 million compared with last year and it plans to complete 80% of its research projects within two years. The majority of its expenditure has been allocated to performance chemicals, butyl rubber, high-tech plastics and synthetic active substances for the agrochemical and pharmaceutical industries. At present, around 400 experts are working on approximately 120 research projects in the group's research units around the world. It currently holds some 7,900 proprietary rights in 1,330 patent families.

New PLM vice president at NGC

20 June 2007

Miami-based designer and producer of PLM, global sourcing and ERP software for the fashion, apparel and footwear industries New Generation Computing (NGC) has appointed Mark Burstein as vice president of PLM solutions. He will also retain his current responsibilities in sales and sales management as he assumes his new position.

The company's solutions are used by a number of prominent companies such as Armani Exchange, Hugo Boss, Dick's Sporting Goods and Wilsons Leather.

Q1 revenues fall at Ashworth

20 June 2007

US-based golf apparel and golf-inspired lifestyle sportswear designer Ashworth, Inc. has reported a decline in revenues for its second quarter ended April 30.

Consolidated net revenue for the quarter decreased 9.3% to $59.9 million compared with $66 million for the second quarter of 2006. Net loss totalled $2.5 million compared with net income of $4.7 million for the prior-year period. This includes a tax charge of $2.9 million.

Net revenue for the domestic segment decreased 10.7% to $47.2 million from $52.8 million in the 2006 quarter, while revenue from the international segment decreased 3.7% to $12.7 million from $13.2 million.

Ashworth's three leading brands are the Ashworth Collection, a range of high-end sportswear designed to be worn on and off-course, Ashworth Authentics and Ashworth Weather Systems, a technical performance line. The company is also an official apparel licensee of Callaway Golf Company.

Wolverine presented with APEX design Award

21 June 2007

Branded footwear and apparel company Wolverine has been presented with the Polartec APEX Design Award for its Pioneer jacket. The jacket will appear at the Polartec booth at Outdoor Retailer in Utah, on August 9-12.

The jacket, which is made from Polartec Wind Pro and features Hardface Technology, is wind resistant, water repellent, breathable and durable.

Luxottica Group to acquire Oakley

21 June 2007

Italian eyewear producer Luxottica Group S.p.A. and California-based performance eyewear, apparel and footwear company Oakley, Inc. have entered into a definitive merger agreement with the unanimous

approval of both companies' boards of directors. Under the agreement, Luxottica will acquire all of Oakley's outstanding shares for a total purchase price of approximately $2.1 billion. The transaction is expected to close in the second half of 2007.

Luxottica Group has over 5,800 optical and sun retail stores in North America, Asia-Pacific, China and Europe and its brand portfolio includes Ray-Ban, Burberry, Dolce & Gabbana, Donna Karan, Polo Ralph Lauren and Versace.

Pfaff takes over Chinese joint venture

21 June 2007

Germany-based manufacturer of industrial sewing machines Pfaff Industrie Maschinen AG has acquired all of the shares of its Chinese joint venture Shanghai Pfaff-Zoje Machinery Industry Ltd, effective June 1.

The company, which was established with Zoje Sewing Machine Co., Ltd in 2003, recently opened a new plant in Taicang which began production of basic sewing machines for the leather industry in January and added a further production line for industrial high-speed sewing machines in March.

PPR's CEO named chairman of Puma

21 June 2007

As a result of French luxury goods group PPR's pending acquisition of German sportswear brand Puma AG, François-Henri Pinault chairman and CEO of PPR has been appointed chairman of Puma's supervisory board, effective June 16. Thore Ohlsson will remain deputy chairman.

Pan Group implements SATRAData 6

21 June 2007

Asian sports shoe manufacturer Pan Group has installed new SATRA software in its eight Thai factories in Sriracha, Kabinburi, Bangkok and Ayutthaya.

Developed by UK-based technology centre SATRA, the SATRAData system is designed to provide accurate and reliable time standards for various elements or tasks carried out during footwear production, including lean manufacturing, and is said to eliminate the need for conventional time study.

Commenting on the new system, Urusaya Christathai, Pan Group's project co-ordinator, said, "We wanted to be able to analyse and implement best methods and standardise procedures to calculate accurate time standards for costing and line balancing. SATRAData 6 has allowed us to do this."

Nilit acquires Frisetta Polymer

21 June 2007

Israeli producer of nylon 6.6 polyamide fibres and polymers Nilit has signed an agreement with the Rueb family to acquire Frisetta Polymer in Utzenfeld and its subsidiary Recom, in Wehr, both in Germany. The acquisition is expected to be completed by the end of June.

Commenting on the deal, Arie Gottlieb, general manager of Nilit, said, "The combination of Nilit's Euronil operations in Italy and Frisetta Polymer will create a new and enhanced player in high performance polymers. The combined company will help all our customers better meet the growing demands of an increasingly sophisticated market globally"

Nilit also operates a fully-integrated polymerisation facility in Israel and produces a range of specialty nylon polymers for extrusion, injection moulding and compounding under the trademark Polynil.

New sales director at Snugpak

21 June 2007

UK sleeping bag manufacturer Snugpak has promoted Darren Burrell to sales director. Mr Burrell joined the firm in 1998, and recently secured a £1.8 million, six-year, deal to supply the Latvian Armed forces with winter insulated clothing.

Following a management buyout in January 2006, the company appears to be thriving with turnover for the year ended April 2007 up 15% compared with the previous year.

Lectra celebrates 100th Vector sale

22 June 2007

Four months after launching its new range of Vector automated cutting systems, France-based developer of software and CAD/CAM equipment Lectra has already sold 100 systems.

According to the company, major manufacturing regions such as China, the Indian subcontinent, Eastern Europe and South America have opted for cutters that specialise in high-volume production, while major prime contractor countries including the United States, Italy and Japan have favoured the fast, flexible cutters dedicated to

small-run production.

The cutting systems, which are used by companies in the apparel, furniture, automobile interior and industrial fabrics sectors, have a powerful motorisation system which allows garments to be cut more efficiently, increasing productivity by up to 15% and offer precise cuts, even when edges are at a tangent. Operating costs can be reduced by up to 20% as a result of the energy saver system and the increased lifespan of spare parts and consumables.

Brazilian cotton prices slump

22 June 2007

According to a spokesman from the Brazilian Ministry of Agriculture, Husbandry and Supplies, cotton export volumes are now 30% lower than they were last year due to the fact that that approximately 550,000 tons, or 60%, of the cotton harvest was sold in advance when the dollar exchange rate was over R$2. Calculations show that the export parity is currently R$0.90/pound (US$0.47/pound) for an average price of R$1.15/pound ($0.60/pound) in São Paulo and between R$1.05 ($0.55/pound) and R$1.10/pound in the centre/west and Bahia.

After a 15% decline in May, average June prices have been the lowest seen in the last ten years and have actually fallen below production costs. Analyst at market consultancy company Safras & Mercado, Miguel Biegai Júnior, said, "Cotton producers are losing money and no longer wish to sell. They have reached their limit." Therefore, according to the National Supply Company (Conab), cotton exports are fully reliant on a government subsidy of R$0.25/pound to cover approximately 50% of the 1.4 million ton harvest.

Avery Dennison to present at Supply Chain Summit

22 June 2007

US-based brand identification Avery Dennison will present the benefits of item-level RFID implementation to retailers at the Supply Chain Summit in California, USA, on June 25-27.

Director of Global Marketing RFID & Security Philip Calderbank will speak on 'Item Level RFID Tagging: Marks & Spencer and New Balance Case Studies', addressing the challenges of tagging individual items. It will focus on product and brand security, supplier relations and enhanced interaction between sales staff and customers.

Item-level RFID can help to increase sales by minimising stock shortages, analysing stockroom inventories and enhancing security. The company's RFID tags and labels incorporate a new set of antenna designs based on printed ink technology. Combined with advanced production techniques, it can offer apparel and footwear retailers RFID 'edge on' readable tags at a low price.

Eddie Bauer names new president and CEO

22 June 2007

US-based specialty sportswear and accessories retailer Eddie Bauer Holdings, Inc. has appointed Neil Fiske as president and chief executive officer, effective July 9. Mr Fiske, who will also be appointed to the board of directors, succeeds Howard Gross, who was appointed interim CEO in February.

With more than 18 years experience in the retail and related industries, Mr Fiske most recently served as chief executive officer of the Bath and Body Works, a division of Limited Brands.

Spotlight on accessories at Intertextile Shanghai

22 June 2007

Approximately 1,800 exhibitors will participate at Intertextile Shanghai Apparel Fabrics 2007 in Shanghai from October 30 to November 1, some 200 of which will present accessories such as zips, buttons and linings.

The show, which is already known for its selection of apparel fabrics, trend forums and seminars, is becoming increasingly popular with accessory buyers and as a result the exhibition area dedicated to such goods has been increased. Exhibitors will include Belgium fashion textile producer Concordia Textiles NV, German clothing fasteners and accessories maker Union Knopf, Swiss zip brand Riri SA, Japanese trimmings and ribbon maker Shindo Senikogyo Co, and Austrian crystal accessories designer Swarovski.

The show will also feature a special area dedicated to accessories trends, the Accessories Display Zone.

Textiles for women's men's children's and infants' wear, casual and sportswear, intimates and lingerie will also be on show at the fair, ranging from mass market to high-end and include cotton, wool, silk, linen/ramie, man-made fibres, knitted fabrics, embroidery and lace, functional fabrics, fibres and yarns and textile-related technology.

Lenzing increases stake in Indonesian subsidiary

22 June 2007

As part of its strategy of expansion and globalisation Austrian producer of cellulose fibres Lenzing has increased its share in Indonesian subsidiary PT. South Pacific Viscose (SPV) from 41.98% to 85.79%. The company has already been fully consolidated and the acquisition will cause no immediate changes in the operative business of the Lenzing Group.

Located in Purwarkarta, PT. South Pacific Viscose has an annual production capacity of 150,000 tons and employs some 1,500 staff. It is the group's largest viscose fibre production site after its parent site.

Doha talks reach a standstill

22 June 2007

Expressing deep disappointment following the halt of the most recent round of Doha talks, president and CEO of the American Apparel & Footwear Association (AAFA), Kevin Burke, said, “The American Apparel and Footwear Association is greatly disappointed that Brazil and India have stalled the Doha talks once again. All member countries need to demonstrate strengthened commitment to the process through willingness to adapt and work tirelessly toward a compromise that benefits all. Walking away from the table at such a critical junction is walking away from the opportunity to obtain improved market access for textiles, apparel and footwear through reduced tariffs and the elimination of non-tariff barriers. The citizens of the United States, India, Brazil, the European Union and the world are the true losers in this most recent collapse in the Doha process.”

Gildan receives FLA accreditation

22 June 2007

The Fair Labor Association’s (FLA) has accredited Canadian casual and sportswear company Gildan Activewear Inc.’s labour compliance programme. Participating companies in the FLA are eligible for accreditation after a three-year period during which the association verifies the company’s compliance with its workplace code of conduct requirements.

The FLA has accredited only eight companies worldwide, the majority of which are consumer apparel brands that outsource their manufacturing. Gildan is said to be the only vertically-integrated basic active wear apparel manufacturer to receive accreditation.

The company sells T-shirts, sport shirts and fleece products for sports, corporate events and work uniforms.

Zegna presents solar-powered apparel at Pitti Uomo

22 June 2007

Italy-based men’s clothing company Zegna has unveiled its first commercially available ‘Solar JKT’ jacket with an integrated solar solution at the Pitti Immagine Uomo fashion show currently being held in Florence, Italy.

With solar modules—based on Interactive Wear AG’s iSolarX technology platform which was developed with Solarc in association with Zegna Sport—mounted on a neoprene collar, the jacket generates solar energy which is transmitted through a conducting textile and can be stored temporarily in a buffer battery or fed directly to a connected device.

The jacket, which can recharge a mobile phone, iPod or other device using solar power, will be launched as part of the company’s spring/summer 2008 collection.