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Business Week

3rd July 05 – 10th July 05

FESI calls for sports footwear to be excluded from EU probe

04 July 2005

Following the European Commission's decision to launch an anti-dumping investigation into imports of footwear with leather uppers from Vietnam and China, the Federation of the European Sporting Goods Industry (FESI) is calling for the exemption of sports footwear (training shoes, basketball shoes, etc.) with Special Technology (STAF -Special Technology .Athletic Footwear).

"FESI members, including the well-known brands, produce footwear that incorporates special technology and there is no significant quantity of like production of these shoes in the EU," said Mr Karl Sedlmeyer, Chair of the FESI Trade and Customs committee. "This has consistently been recognised by the European Commission, from the origin of the definition in 1994 to the exemption of STAF from the surveillance measures introduced following the end of quotas last year and including the former anti-dumping proceeding concerning certain footwear with leather or synthetic uppers originating in the People's Republic of China, Indonesia and Thailand in 1993."

He added, "Even if a broader product analysis is made, STAF pricing is typically higher than that of the footwear industry producing in the EU. This points to the fact that STAF cannot cause injury to the EU footwear industry, as defined by EU anti-dumping legislation. The EU footwear industry is merely looking for further protection from the European Commission following the end of quotas for footwear from China and this action could potentially send out a confusing message to Vietnam, which is in the process of joining the WTO. Investment, production and sourcing of raw materials since the late 1980s dictate that this particular type of sports footwear cannot be produced in significant quantities in the EU."
Entries will be awarded $1,000 for first place and $500 for second place, in each area.

DR-CAFTA passed by US Senate

04 July 2005

The US Senate has given its support to the US-Dominican Republic and Central America Free Trade Agreement (DR-CAFTA), which will eliminate tariffs and trade barriers between the nations involved.

"I commend the United States Senate for passing DR-CAFTA. CAFTA is another important step in building new markets and improving the competitive position of U.S. agriculture in the global marketplace. CAFTA will level the playing field for America's producers. By opening these markets on a fair and an equitable basis, we could double US agricultural exports to these countries," commented US Agriculture Secretary, Mike Johanns.

"For the Central American countries, CAFTA will bring new investments, better jobs, higher labour standards and better access to American goods at better prices."
He has now stepped down to devote more time to developing his own brand resourcing company.

SATRA chairman Iain Kennedy described Robert as a man "never afraid to speak his mind and with strong views on many subjects." These qualities, he felt, were very helpful when the SATRA board had been faced with difficult decisions.

As ispo summer opens Russia looks promising

04 July 2005

As the summer ispo began, the Munich based trade show enlarged on its excitement about the Russian market.

In Russia and some of the surrounding ex-Soviet countries there is a $3-3.5 billion dollar sports market. The market at retail falls into two segments being regular stores and bazaars. The latter, a rather grey market, is shrinking every year but still accounts for about 50% of sales, with Moscow itself seeing the fastest decline in this informal bazaar market.

Some local brands are starting up and western brands are popular. Adidas has been in the market for 30 yeas and is by far the biggest, but Nike, Reebok and Puma are growing very fast. Columbia has seen growth rates of 30% per annum.

The markets are becoming more segmented. After increase in oil prices many people became very rich and it has become a status symbol to wear adidas or Nike. Now we are seeing growing middle class and with a need for an income of $400 per mouth to be able to buy in departmental store, this segment is growing very fast. As a result, retail in Moscow is growing very fast with lots of shopping centres appearing, some of which are anchored around store groups such as IKEA. This growth trend is already being reflected in terms of interest in the Russian market. Ispo Russia 06 is already completely booked with more than 200 exhibitors.

Adidas opens first Originals shop in Brazil

04 July 2005

Adidas has inaugurated its first Originals Shop-in-Shop at the Morumbi Shopping Centre, in São Paulo, Brazil. The shop will sell the adidas Originals range which is part of the brand's lifestyle division, which carries the clover logo, the company's main symbol in the 80's.

Companies such as VF Corporation, Perry Ellis International; Spalding Sports Worldwide Inc., and Top Flite Golf Company already use Indra's system.

Africans call for response to cotton proposal

04 July 2005

According to a World Trade Organisation press release, African countries have called for written responses or alternatives to their own proposal tabled at the June 22, 2005 Cotton Sub-Committee meeting. African countries said they were disappointed that no other members have produced written responses or alternative proposals to their paper, circulated just before the last meeting in April, to which some other countries responded by saying that they preferred not to respond immediately in writing, either to allow them to be flexible in the positions they adopt, or because they believe an informal setting would be more conducive to technical exchanges on the paper.

The call for written responses came from Benin, Burkina Faso and several other African delegations, supported by Brazil and Argentina. These delegations said this would help them to report to their governments that there have been new developments.

The US replied that the outcome in cotton will be determined by the agriculture negotiations, where it said reductions in specific areas such as domestic support will affect US programmes for cotton. But in order to achieve a significant result overall in cotton, members should be more ambitious in the agriculture negotiations as a whole, the US said. A higher level of ambition in agriculture could mean a result on cotton that is closer to the Africans' aims, the US said.

Wal-Mart to expand in Central Europe

04 July 2005

Wal-Mart Stores Inc, the world's largest retailer, has announced that it plans to enter

the Polish, Hungarian and Russian markets. The company's executive director Lee Scott said acquisitions are more likely than establishing new operations.

Andrzej Maria Faliński of the Polish Trade and Distribution Organisation, which associates foreign commercial networks in Poland, said the move will change the distribution of power on the market and accelerate the process of consolidation in the sector.

Wal-Mart is reportedly also eyeing up India as an exciting country with a growing middle class.

BASF inaugurates power plant at Ludwigshafen site

05 July 2005

German specialty chemical company, BASF AG, officially inaugurated a new combined heat and power plant at its Ludwigshafen site on June 30.

The high-efficiency combined heat and power (CHP) plant with a fuel efficiency of 90% operates according to the principle of cogeneration – the combined production of electricity and steam – and will supply the site with 440 megawatts of electricity and 650 metric tons of steam per hour. “Investing in the combined-cycle plant will make BASF less reliant on external electricity suppliers. We now generate 65% of our electricity in our own plants at the Ludwigshafen site compared with 15% percent previously,” said Ernst Schwanhold, head of the environment, safety & energy competence centre.

ACIMIT names new chairman

05 July 2005

ACIMIT, the Association of Italian textile Machinery Manufacturers, named Paolo Banfi as its new chairman at the association’s annual general meeting in Milan on June 28.

Mr. Banfi, managing director and shareholder of Comez. S.p.A., had held the position of vice chairman of the association since 2000. He succeeds Alberto M. Sacchi.

ACIMIT represents more than 200 Italian textile machinery and accessory companies, whose production represents 85% of the entire Italian textile machinery production, and 13 associated members (consortia, technical schools, technical magazines, and research centres).

AdvanSA and PEG showcase Coolmax at ispo

05 July 2005

AdvanSA, Europe’s largest polyester producer is joining forces with PEG SA, the French specialist in padding for apparel to showcase the very latest innovation in insulation at ispo, combining a Coolmax lining with the insulating wadding Thermolite micro.

A Coolmax-knitted fabric developed by French company Tissage de l’Aigle is said to provide excellent moisture management. This is combined with Thermolite micro wadding which surrounds the wearer like a protective cocoon. It surrounds the body, protecting it against the cold whilst regulating heat at the same time.

Jordi Lopez from AdvanSA commented: “Only microfibre technology is capable of achieving this level of auto-adaptation. The more fibres there are and the finer the fibres, the more efficiently moisture is wicked away, allowing the padded layer to adapt to ambient conditions.”

Marc Blondel, sales director for PEG SA added: “We have the advantage at PEG that we are one of the very latest manufacturers of insulation waddings in Europe to have invested in specialising in insulation layers for apparel and sleeping bags. This means we have been able to achieve far greater flexibility, combined with expertise particularly in the field of microfibres. The benefit of Thermolite micro is the capacity to regulate heat (avoiding the need to add further layers) teamed with its soft feel – it can be compressed easily, but springs right back.”

Canadian union to appeal for protection against Chinese imports

05 July 2005

A group of Canadian workers is taking unprecedented action this week to stem the flow of Chinese imports which it claims are devastating Canada's clothing and textile industry. Members of the union Unite Here Canada, which represents workers in Canada's clothing industry, will appeal to the Canadian International Trade Tribunal to urge the government to help stem the rising tide.

"The numbers are truly staggering," said Unite Here Canadian directorAlex Dagg. "Since quotas were lifted four months ago imports of clothing fromChina has jumped over 200% in some categories."

"Why is Canada sitting on its hands doing nothing?" added Dagg. "With the US and EU implementing their own safeguards, Canada is now targeted as a market that can pick up the slack, and that's made the problem even more acute."

The union will file a petition under the Canadian International Trade Tribunal Act asking for limits on the dramatic surges in Chinese imports.

Unite Here represents over 50,000 members in Canada and more than 440,000 people across North America.

Eschler develops new knits for outdoor wear

06 July 2005

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Toyobo denies responsibility in Zylon lawsuit

06 July 2005

Japanese company Toyobo Co., has issued a statement stating that it does not understand why it has been named as co-defendant in a lawsuit brought against Second Chance Body Armor. The lawsuit, which was filed last week in Washington by the US Justice Department on behalf of several federal agencies, alleges that from 1998 until 2001 Toyobo and Second Chance did not disclose information that Zylon fabric, produced by Toyobo and used by Second Chance in its Body armour, degraded substantially when exposed to certain light, temperature and humidity conditions.

Toyobo claims that the lawsuit is really about Second Chance and the allegations made by a former employee about what Second Chance knew and its decision not to share critical information about the failure of its vests with Toyobo, the public, the law enforcement community and investigating authorities.

Toyobo Co., Ltd. is a multi-national company based in Osaka, Japan active in chemicals, fibres, textiles, films, biochemicals, and pharmaceutical products.

Zensah launches seamless shirts in camouflage colours

06 July 2005

US-based Zensah Tactical Apparel has added three new colours, desert tan, coyote brown and ranger green seamless to its range of tactical shirts.

The company stated that coyote brown, and desert tan are ideal for the desert terrain found in Iraq, and Afghanistan, whilst ranger green is effective in woodland environments, and jungle foliage. The seamless construction is said to provide more comfort than the conventional cut-and-sew shirts, and is anti-bacterial providing an extra layer of protection from the adverse conditions that soldiers face. The Zensah shirt is currently used by Israeli commandos and Navy Seals. Zensah's breakthrough seamless shirts are.

23,000 visitors attend ispo

06 July 2005

ispo summer 05, which took place at the New Munich Trade Fair Centre from July 3-5, 2005, recorded approximately 23,000 visitors, a similar figure to that produced last year. The countries with the largest visitor contingents were Austria, Italy, Switzerland, Great Britain, France, the Netherlands and the Czech Republic, who were able to see the latest products and fashions offered by the 1,049 exhibitors from 46 countries that took part in the event.

One of the focal points of ispo summer 05 was the topic of soccer in connection with the FIFA-WM which will take place in Germany in 2006. Companies presented a wide range of soccer jerseys and shoes, fan articles and accessories. Interest also remained high in the Nordic Fitness segment, which is growing very strongly.

The tennis segment received increased attention thanks to the sweetspot initiative ispovision, which recorded twice as many exhibitors compared with the previous year, put the topics of Yachting Style, Golf Style and Premium Golf Style in the spotlight.

Saurer acquires Hogra Holding

06 July 2005

Swiss manufacturer of spinning, texturizing, twisting and embroidery systems, Saurer Textile has signed a purchase contract to acquire 100% of the share capital of Hogra Holding AG, the parent company of Graf Group.

Graf produces card clothings and service machines for flat cards, roller cards and raising machines, which covers both the traditional spinning business and the field of nonwovens. The acquisition is expected to be completed in autumn 2005.

In 2004, Graf had sales of approx. €60 million and employs 590 workers. Its largest production sites are in Rapperswil, Switzerland and in Enschede, Netherlands.

Celanese to build emulsions plant in China

06 July 2005

US-based global producer of value-added industrial chemicals, Celanese Corporation, has announced that it is to construct a state-of-the-art Vinyl Acetate Ethylene and Conventional Emulsion Polymer facility in China. The site selection process is said to be at an advanced stage and the facility is planned to be operational in the first half of 2007.

"We view this strategic decision as a significant milestone for our growing emulsions business," said Celanese CEO David Weidman. "It is also consistent with our commitment to the Asia region - especially China - and our strategy of strengthening our product offering with higher-value products." Celanese made its first emulsions acquisition from Clariant in 2002 and completed the acquisition of the Vinamul emulsions business from ICI in February 2005 and its global emulsions business now has 10 production facilities in Europe and North America which serve a wide variety of markets, including textiles, paints and coatings, adhesives, non-wovens, glassfibre, construction, and paper.

The company is currently building a 600,000 metric ton acetic acid plant in the Nanjing

Chemical Industry Park in Nanjing, China. The plant will be ready for production in late 2006 or early 2007. The company also recently announced the investment in a world-scale 20,000 ton ultra high molecular weight polyethylene (UHMW-PE) plant in Asia that will be operational in the second half of 2007.

The North Face opens new UK store

07 July 2005

Following on from the success of its first branded store in Covent Garden in London, The North Face has announced that it plans to open a second store in Manchester city centre. The Manchester store, which is set to open in the final week of August, will be the company's largest in Europe with over 500 m2 of selling space and will be the first The North Face Store to incorporate a refrigerated 8 metre ice climbing wall. The North Face UK general manager, Jonathan Bailey said, "The North Face has gone from strength to strength over the last few years and it is our intent to ensure that this positive momentum is maintained. We are thrilled about the prospect of opening a The North Face Store in such a key location in this vibrant city."

Jürgen Schütte appointed Mammut's brand manager

07 July 2005

The Mammut Sports Group AG has appointed Jürgen Schütte as its new brand manager for its mountain sports brand, Mammut. He joines Mammut after 13 years at K2 Sports Europe Group where his last position was sales director Europe for Inline Skates.
Huntsman and Al-Zamil Group will have equal ownership in the facility. The joint venture will license Huntsman's proprietary technology. Huntsman will serve as the exclusive sales and marketing arm for the joint venture and will provide technical service and product applications assistance.

The Al-Zamil Group of Companies and Huntsman also are partners in a maleic anhydride - butanediol manufacturing facility in Saudi Arabia. The GACIC joint venture produces precursors for Spandex woven fibres.

DuPont recognised for societal input

07 July 2005

Luigi Robbiati, global business director of DuPont Glass Laminating Solutions and regional director of DuPont Packaging & Industrial Polymers for Europe, has recently been named a Cavaliere (Knight) to the Merit of the Italian Republic. The honour is given annually by the President of Italy to Italian citizens who have represented Italy abroad and excelled in various industries, including the arts, economics, business and science. During his 17-year career at DuPont, Luigi has worked in Germany, the USA, Luxembourg and Switzerland.

Additionally, DuPont site in Lerma, Mexico, has recently received the Clean Industry Certification from the Mexican government for 2005-2007 for outstanding performance and continuous commitment to reducing environmental footprint.

Timberland to close factory in Isabela

07 July 2005

The Timberland Company has unveiled plans to consolidate its Caribbean manufacturing operations. Its manufacturing facility in Isabela, Puerto Rico, is to close at the end of 2005 the facility in the Dominican Republic is to expand its volume. Jeffrey B. Swartz, Timberland's President and Chief Executive Officer, said "This has been a difficult decision for us, and we are committed to assisting the 316 Isabela-based employees during this transition period. We intend to provide affected employees with a comprehensive programme that includes financial assistance, vocational planning, search assistance, training and counselling and will coordinate with local agencies to offer additional government services."

The new approach is anticipated to yield cost savings of approximately $4 million in 2006, with benefits weighted toward the second half of the year and annual cost

savings of approximately $5 million in subsequent years.

Bayer and Shell to cooperate in polyether polyols production

07 July 2005

Bayer Antwerp N.V. and Shell International Research Maatschappij BV have entered a license agreement enabling Shell to implement Double Metal Cyanide (DMC) technology to produce polyether polyols using Shell´s process design under Bayer's existing Impact patents.

]The Impact technology specifies a process to use Double Metal Cyanide as catalyst for the polyoxyalkylation. The license agreement specifically includes a continuous process to produce long chain polyether polyols, which are used as the base products for flexible polyurethane slabstock foams. Both Shell Chemicals and Bayer are global producers of polyether polyols.

Bibi introduces 'Change System' to protect babies' feet

07 July 2005

Bibi Calçados has introduced the 'Change System' that allows parents to check the growth of their babies' feet in order to avoid tight shoes.

The soles of the shoes are made of a transparent material with an anti-microbial removable sock that makes it possible to see if the child has outgrown the shoes. The footwear has markings that show the limit of where the child's feet should be, so that parents can tell if the shoes are too small. The 'Water-based 500 Cleaner' does not affect the substrate preventing damage to colour, shape or finish, and it offers higher productivity and eliminates fire hazards.

ITEC proposes academic body for textile training

07 July 2005

Chairman of the International Textile Education Consortium (ITEC) and president of the Textile Association of India, Mr M. S. Mathivanan, has urged the Indian Government to set up an independent academic body for 'Textile education' because of the growing market share of India in global textile trade.

Speaking at the two-day International Textile Education Conference, held in Chennai on July 2-3, Mr Mathivanan said that by 2010 India is set to be the second largest producer after China in the global textile business, moving up from the present 12th position.

"We don't get workers to run imported looms; our workers need to be trained in modern technology in weaving, spinning and stitching. Presently industrial training Institutes train only a limited number of people, which is not sufficient for our expected growth," he said.

He added that there was an urgent need to train more workers and to provide modern education for supervisors and textile engineers, which could help the country to produce 'value added' and quality fabrics to compete in the global market.

BASF acquires Huntsman's global TDI business

07 July 2005

BASF has acquired Huntsman's global toluene diisocyanate (TDI) business, effective July 6, 2005. Financial terms of the agreement were not disclosed.

The transaction involves Huntsman transferring its TDI customer list and sales contracts to BASF, but does not include any transfer of manufacturing operations or personnel. "BASF is committed to the global TDI market and looks forward to establishing a successful relationship with Huntsman's former customers and supplying consistent, high-quality TDI to them," said Jean-Pierre Dhanis, President of BASF's Polyurethanes division.

BASF has TDI production facilities in

Geismar, Louisiana; Schwarzheide, Germany; Yeosu, Korea; and, commencing in 2006, in Caojing, China (in cooperation with Chinese partners).

The isocyanate TDI is an important basic product in the manufacture of polyurethanes.

Option Systems moves headquarters to support client base

08 July 2005

Option Systems Limited (OSL), a global specialist in the provision of IT solutions for the apparel and footwear industries, has moved to new headquarters in Leicester, UK, to support its expanding client network.

"More and more wholesalers, distributors and retailers are looking for ways to improve their business processes, which has resulted in an increased demand for both Enterprise Resource Planning (ERP) and Product Range Management (PRM) software," commented Tony Parkinson, Managing Director at OSL. "We experienced a significant upturn in sales during late 2004 and early 2005. In recognition of this we took the decision to move to new premises." Option Systems Limited (OSL) has developed a STYLEman enterprise solution specifically for clothing and footwear companies to allow organisations to maximise their operations by simplifying processes and delivering the operational and management information they require.

Helly Hansen brings in the Juell

08 July 2005

Helly Hansen has introduced a new running shoe for summer 2006 called the Juell, described as a high performance, lightweight running shoe. The model features LIFA Versa uppers – a bi-component knit fabric with LIFA on the inside and polyester on the outside, that moves excess heat and perspiration away from the foot to help keep the foot dry and cool.

It comes with a fitted LIFA sweat extracting sock liner. A foot protecting polo plate bar gives the shoe added flexibility, reduces the weight and bulk in the midfoot area and protects against rough terrain, says Helly Hansen. Other features include a cushioning system in the forefoot and heel, a HellyWear carbon rubber sole for slip resistance and a durable overlay on the toy for added protection.

Reflective inserts are available for greater visibility. Juell is available in sunflower and charcoal/black/orange for men and in lavender and carribean for women.

Sales at Payless ShoeSource increase 1.7% in June

08 July 2005

Payless ShoeSource, Inc. has reported that same-store sales increased 1.7% during the June reporting period, the five weeks ended July 2, 2005. Company sales totalled $275.8 million, a 0.3% decrease from $276.6 million during fiscal June of last year.

Columbia Sportswear and Another Line sign licence agreement

08 July 2005

Complementing its women's apparel collection, Columbia Sportswear Company has signed a license agreement with Another Line, Inc. for the design, manufacturing and marketing of a new line of outdoor, active women's belts. The new product line features a wide variety of belts that includes leather and fabric offerings as well as stylish and distinctive buckles.

Distribution of the Columbia collection will be managed by Another Line, Inc. through select department stores and outdoor retailers across North America. Initial availability is scheduled for spring 2006.

Tim Boyle, President and chief executive officer of Columbia said "As we continue to focus on our women's product offering, we want to provide our customers with a full selection of accessories that reflect the

same product quality that is known across our apparel and footwear lines."

Lectra opens new headquarters in Istanbul

08 July 2005

Having participated at Tuyap, the largest equipment and software trade fair in Turkey for the textile and apparel market, Lectra Turkey has now officially opened its new national headquarters in Istanbul.

At the opening ceremony on 15 June, Daniel Harari unveiled the 1,400 m2 Advanced Technology Center (ATC). There is also a software and equipment customer support line designed to further improve Lectra's response to the needs of its customers.

The company has been present in Istanbul since 1988. It now has over 600 customers and offices in Ankara, Izmir and Bursa. In Turkey, 75% of the company's sales are generated by the textile and apparel markets, 10% by the rapidly growing furniture and furnishings market, a further 10% by the automotive industry (one of the main driving forces behind economic growth in Turkey) and 5% by footwear, luggage and leather goods.

"This country is continuing its transformation process and it is improving both its subcontractor expertise and the quality of its production. It also has enormous potential to develop brand names in a rapidly growing local market." said Daniel Harari, Lectra's CEO.

According to the WTO, Turkey is the world's fourth largest producer of apparel and the world's tenth largest producer of raw materials for the textile industries. Its main market is the European Union which accounts for 63% of total exports.

EU to probe Chinese footwear

08 July 2005

The European Union is to widen its probe into Chinese imports to leather footwear, as potentially detrimental to its companies. The move follows a recent probe into safety footwear from China and is heavily supported by the Confederation of the Footwear Industry, a lobby group representing 14,000 European firms. The investigation, predicted to cover nearly 30 classes of shoes, began on July 7 and will last a maximum of 15 months and temporary measures m ay be introduced in the meantime for a period of up to 9 months. The China Leather Industry Association has warned Chinese shoemakers to prepare to respond ahead of possible further EU anti-dumping moves, which it claims will serve a blow to over 1,000 shoe factories and millions of jobs. In the future the EU may also launch dumping charges against footwear materials from China.