Business Week

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Import and export committee to be established for Sino-Russia trade

12 August 2005

An official from the Chinese embassy in Russia has announced that a special import and export committee will be jointly established by Russia and China in order to protect the free flow of goods traded between the two countries.

The establishment of this committee comes as a direct result of a recent incident when Chinese shoes worth 80 million yuan ($9.9 million) were detained in Russia due to an incomplete customs declaration. According to the China Leather Industry Association, this was the second time that large quantities of Chinese shoes had been impounded by Russian officials for this reason.

An official from the Chinese Embassy said that both the Chinese shoe manufacturers and Russian customs clearance companies were responsible for the incident. The official said that many Chinese goods had been exported to Russia through disreputable Russian customs clearance companies since the end of the Soviet Union.

EU begins anti-dumping survey on footwear

12 August 2005

According to the China Leather Industry Association (CLIA), the European Union has begun a sample survey on nine Chinese footwear manufacturers in relation to anti dumping charges. The companies involved are said to large manufacturers that are based in China's major footwear production hubs in Guangdong, Fujian, Zhejiang and Liaoning.

If any of the charges are proved true, this could deal a hard blow to the industry as Europe is the second largest export market for Chinese shoes accounting for 14.6% of exports.

Huntsman appoints new director

12 August 2005

Global manufacturer of differentiated and commodity chemicals, Huntsman Corporation has appointed Marsha J. Evans to the company's board of directors effective August 10, 2005. Ms. Evans will serve on the nominating and corporate governance committee.

Ms. Evans has been president and CEO of The American Red Cross since August 2002. She served with the United States Navy for 29 years, where she was commissioned ensign in 1968 and attained the rank of rear admiral before retiring in 1998.

Huntsman's operating companies manufacture basic products for a variety of global industries including chemicals, footwear, textiles, and plastics.

Li & Fung acquires US apparel company

12 August 2005

Hong Kong–based buying agency for consumer goods, for retailers and brands worldwide, Li & Fung Limited, has announced an agreement to buy Briefly Stated Holdings Inc., through its subsidiary The Millwork trading Co. Briefly Stated, based in Delaware, USA, sells licensed apparel (mainly underwear, sleepwear and t-shirts).

The acquisition was made through the purchase of 100,000 shares for a total cost of $124,000,000 and is expected to be completed by September 30, 2005.

Meanwhile Li & Fung has reported robust growth for the first half of 2005. For the six months ended 30 June 2005, the group's core operating profit increased 21% while profit attributable to shareholders reached HK$618 million ($79.5 million), an increase of 23% over the HK$502 million for the same period in 2004.

Group turnover increased by 19% to HK$23.5 billion compared with HK$19.7 billion for the corresponding period last year.

Carlo Lingiardi appointed as Teva brand president

12 August 2005

Deckers Outdoor Corporation has announced the appointment of Carlo Lingiardi as president of the company's Teva brand. As Teva Brand president, Mr. Lingiardi will be responsible for all aspects of the Teva brand and will report directly to president and CEO, Angel Martinez.

Mr. Lingiardi joins Deckers from Tecnica USA, where he most recently served as vice president and general manager of its footwear division, where he was directly in charge of the hiking and after-ski footwear categories.

From 2000 to 2003, Mr. Lingiardi served as vice president of sales and operations for Geox USA, Inc. and prior to that, he held the position of marketing & sales manager - key account leader at W.L. Gore & Associates.

Phoenix Footwear appoints former Teva president

12 August 2005

Phoenix Footwear Group, Inc. has appointed Robert Orlando as president of the company's Royal Robbins division. Mr. Orlando, a 30-year veteran of the footwear and apparel industry, and most recently the president of Teva Footwear, will lead Phoenix Footwear's popular Royal Robbins brand of men's and women's outdoor specialty lifestyle apparel.

Mr. Orlando will succeed Francisco Morales, who has elected to pursue a career as an independent apparel sourcing consultant. Mr. Morales will remain with Phoenix Footwear on a category exclusive consulting basis, where he will lead product creation and development of Royal Robbins apparel and lend textile development expertise to other Phoenix Footwear units.

Material World New York to feature educational programme

12 August 2005

Material World New York will premier at the Jacob K. Javits Convention Centre, September 28-30, 2005 featuring a range of educational programmes, exhibits and networking events, the York educational programme will cover areas ranging from trend tracking to legislative issues.

The first event, hosted by the American Apparel and Footwear Association (AAFA), The Next Frontier in Fabric, Fibre and Thread, will bring together a panel of industry leaders from fabric, fibre and thread companies including American & Efird, Fountain Set, Invista Apparel and Sapphire Textile Mills USA.

Intertextile Shanghai 2005 expands by 20%

11 August 2005

Due to a huge demand from the textile industry, the organisers of Intertextile Shanghai Apparel Fabrics, Messe Frankfurt and CCPIT, will construct a temporary hall in the grounds of the Shanghai New International Expo Centre, giving an additional 1,500 m^2 of space at the show. Scheduled for October 26-29, the fair already has over 1,300 confirmed exhibitors from 24 countries and regions, including national groups from Germany, Italy, Japan, Korea, Pakistan, Portugal, Taiwan, Thailand and Turkey.

"We expect the show to be at least 20% bigger this year," says Annie Ma, group manager of Trade Fairs for Messe Frankfurt in Hong Kong. "The positive response from

the overseas as well as domestic exhibitors illustrates that with facing intense competition they are eager to promote their products and their production capabilities and they are also enthusiastic to get a better idea of how the Chinese market works."

DuPont Active Layer makes its debut at OR

11 August 2005

DuPont has unveiled the DuPont Active Layer at the 2005 Outdoor Retailer Summer Market in Salt Lake City. A new scientifically engineered film, Active Layer is said to provide waterproof and windproof protection for active apparel that helps people stay dry and comfortable during inclement weather conditions. It has been designed for a variety of clothing products, such as ski and snowboard gloves, winter sports jackets, golf rain gear, shoes and hunting apparel.

The Active Layer manages moisture through an impenetrable yet breathable film that is recyclable if used with 100% polyester fabrics. Beyond apparel, DuPont Active Layer is finding increasing acceptance in many end uses requiring waterproof, breathable and windproof characteristics, such as operating room gowns, some personal protective apparel, backpacks, sleeping bags and bedding covers.

"Whether you're skiing on a snow-capped mountain, playing golf in windy and wet conditions or trekking across a rain-soaked parking lot, DuPont Active Layer provides outstanding comfort and protection," said Greg Hindman, DuPont Active Layer programme manager.

Yankz launches sure lace system in UK

11 August 2005

Yankz has launched its new sure lace system in the UK. The patented elastic lacing system weaves through the shoe eyelets and is secured by a lightweight plastic locking device that can easily be tightened or loosened, thus avoiding the need to tie them and eliminating the need to re-tie or adjust them.

The laces are said to keep the foot continually secure by adjusting to any movement, without creating uneven pressure points and removing the need to stop and re-tie shoe laces.

Unifi Introduces ‘all-in-one’ performance yarns

11 August 2005

Unifi has launched a new range of performance yarns called aio that have been designed to offer athletes multi-functional garments which maintain their comfort, performance and shape.

The company states that the aio yarns can incorporate any combination of properties such as wicking, stretch, antimicrobial and UV protection that are found in Unifi’s range of branded yarns, into a single performance yarn.

With aio all-in-one performance yarns, you can get all of the performance properties you want and need, in any combination,” said Roger Berrier, commercial operations manager for Unifi Inc. These yarns can be fully customised, with an endless range of possibilities and applications, and the properties are inherent in the yarn so it is made for endurance and permanent performance.”

Unifi brands include Sorbtek, A.M.Y., Mynx UV, Reflexx, MicroVista and Satura.

Russell Corporation to eliminate COO position

11 August 2005

US branded athletic and sporting goods company Russell Corporation has announced that as part of an effort to flatten its organisational structure, it will eliminate the position of president and chief operating

officer. Based on that change, Jon Letzler, who has filled that position since July 2001, will be leaving the company effective immediately.

According to Jack Ward, chairman and CEO, "Working with Jon, we have concluded that eliminating this position will help speed processes and create more accountability within the business units. We are appreciative of Jon's many contributions during his nearly seven years at Russell."

Bayer reports continued growth in Q2

11 August 2005

German specialty chemical company, Bayer Group, has reported continued growth in sales and earnings in the second quarter of 2005. Group sales rose 19.7% year on year, to €7,053 million compared with 5,890 million for the same period in 2004.

According to the company, the overall performance was driven primarily by continuing high demand for the products of Bayer MaterialScience. Sales of this subgroup advanced by 30.8% to €2,734 million compared with €2,091 million in the second quarter of 2004. The main contributors to this upward trend were the polycarbonates and polyurethanes business units.

As a result of the positive financial report Bayer is raising its forecast and now expects group sales to exceed €26 billion against previous guidance of over €25 billion.

For the first six months of 2005, sales advanced by 17.8% to €13,757 million (2004: €11,682 million). First-half net income increased by 87.3% to €1,058 million (2004: €565 million).

Keen launches 50 new styles for spring 2006

10 August 2005

US-based outdoor footwear brand Keen has launched an impressive 50 new styles in its spring 2006 collection. The 50 new styles are separated into five categories including a new Trailrunning collection.

The five collections are: the Trailhead collection, the waterfront collection, the BLVD collection – a rugged urban range, the Market Street collection of casual, feminine styles, and the Kid’s collection.

Cambuci to establish distributor in the Emirates

10 August 2005

Cambuci, a Brazilian ball manufacturer, plans to take its brand, Penalty, to the Arab market and is currently seeking a distributor for its products in the Arab world. The company used to export to countries such as Bahrain, Qatar and emirates, distributing its products through a local representative, but this came to an end seven years ago. Now Cambuci plans to re-enter the market.

"We see the Middle East as a market very tuned to our product. We know the Arabs identify themselves with the Brazilian style of playing ball. There are many opportunities there. They like the sport and they like Brazil," said Marcello .Cavarzere from Cambuci.

Penalty is one of the most popular brands of sporting articles in Brazil and manufactures products including balls, football strips, football shoes and accessories such as gloves, shin guards and knee protectors.

Cambuci manufactures 300,000 balls and 3,000 shirts per month. The company owns three factory units, two in the northeastern Brazilian state of Bahia, manufacturing balls and textile articles, and another in the state of Paraíba, also in the Northeast, manufacturing shoes. 15% to 20% of its goods go to the international market. In 2006, the company wants to start exporting between 20% and 25%.

New production line at Gypjak textile complex

10 August 2005

A new production line designed to process six tons of cotton fabric daily has been put into operation at the Gypjak textile complex, Turkmenistan. The new line performs which will provide drying, cutting and ironing, has been installed at RAM, a Turkish company.

The Gypjak complex produced about 1.057 million tons of yarn, more than 1.861 million tons of grey cloth, 1.762 million tons of dyed fabrics and more than three million articles of knitwear in the first half of 2005, with 85% of the goods produced being exported to 90 countries around the world.

Johnson Outdoors announces improved sales

10 August 2005

US-based outdoor recreation company, Johnson Outdoors Inc., has announced increased net sales for the fiscal third quarter ended July 1, 2005, driven primarily by the Humminbird brand. Total company net sales reached $122.4 million, the highest reported since 1999, and 1.1% above the comparable 2004 period.

Watercraft posted a strong gain in revenue (7.8%) resulting in its highest sales quarter in two years. Diving sales benefited from favourable currency translation ($0.5 million), and double-digit growth in North American markets. As announced earlier, the company was awarded a new $15.9 million urgent need order for military tents, however, third quarter revenues in Outdoor Equipment do not reflect delivery against this order. The company continues to expect military sales to decline up to 25% in 2005 versus fiscal 2004, as sales in this segment declined 32.5% versus the prior year quarter, and accounted for the majority of the revenue decline in Outdoor Equipment.

Total company operating profit declined $1.9 million in the third quarter versus the same period last year. Humminbird added $1.6 million to operating profit for the three-month quarter versus $0.5 million in the prior year period which reflected only two months of activity.

Year-to-date net sales increased 8.5% versus the same period in 2004.

Reliance board approves demerger scheme

10 August 2005

The board of directors of Reliance Industries Ltd. (RIL) has unanimously approved the scheme for a demerger of the businesses of the company, which had been proposed in June.

The Scheme of Demerger, as approved by the board, is subject to such approvals as may be required including that of the Stock Exchanges, Mumbai High Court and shareholders' approvals.

RIL is India's largest private sector company on all major financial parameters with turnover of Rs 73,164 crore ($16.7 billion), cash profit of Rs 12,087 crore ($2.8 billion), net profit of Rs 7,572 crore ($1.7 billion) and net worth of Rs 40,403 crore ($9.2 billion).

FieldTurf in final discussions with Tarkett

09 August 2005

Talks between sports surface manufacturers FieldTurf and Tarkett are said to be in their final stages. Tarkett plans to increase its stake in FieldTurf, a producer of in-filled artificial grass systems that is recognised for its patented products and installation technologies,

European-based Tarkett, through its sports division, produces in-filled turf, as well as flooring, track, tennis and indoor products manufactured from a variety of materials, including PVC, wood, Linoleum, PU and textiles.

The new company will be called FieldTurf Tarkett. All operations and manufacturing responsibilities will be consolidated and run out of FieldTurf's Montreal headquarters.

The final details of the agreement should be completed within the next 30 days.

New report on textiles in sports clothing released

09 August 2005

Irish research company, Research and Markets has released a new report on textiles in sport.

Combining clothing functions with wear comfort is a growing market trend, and for all active sportsmen and the report is divided into five parts.

• Part one explores the current sportswear market, starting with a market overview then going on to look at current design, material requirements and functional footwear.

• In part two the innovative fibres and fabrics available are outlined, including high performance and high functional fibres, smart and intelligent textiles and coated and laminated textiles.

• Part three focuses on the need for comfort in sportswear. The physiological comfort of sportswear can affect not only a wearer's wellbeing but also his performance. The role of elastic can also play a part in providing comfort, through minimising the garment's resistance to the wearer's movements.

• The important issue of protection is looked at in the next section, with chapters on impact protection, protection against the cold and water resistance and water vapour transfer.

• Finally, part five offers outlines of specific applications, with case studies of textile composites, textiles in sailing and textile use in sports shoes.

Crocs launches New Islander boat shoe

09 August 2005

US manufacturer of comfort shoes, Crocs Inc., has added a new boating shoe called "The Islander" to its line of footwear. Launched at the World Shoe Association Show in Las Vegas, Nevada, the company also unveiled its new rain

boot, "The Georgie" and a new winter shoe, "The Aspen". All three new models feature Croc's Proprietary Closed Cell Resin (PCCR) formula.

The Islander features a lower similar to the popular Cayman model combined with a comfortable leather upper, it is lightweight, slip resistant, non-marking, and anti-microbial. It will come in nine different colours and will go on sale in retail outlets this coming autumn.

The Georgie is said to be an exceptionally lightweight alternative to the average rain boot. It combines the properties of proprietary resin with an ergonomically enhanced footbed for maximum cushion and comfort.

The Aspen is the next generation of the Highland model - it is a closed toe shoe without open ports - making it a good choice for those in cooler climates as well as medical staff and professionals who need full foot protection.

Indian exports to Africa set to reach $6 billion by 2010

09 August 2005

India's exports to the African Continent are likely to touch to $ 6 billion by 2010 from the existing level of $2 billion, according to a paper published by The Associated Chambers of Commerce and Industry of India (ASSOCHAM) on `India-Africa Partnership for Progress'.

In order to accomplish the projections for exports, ASSOCHAM has identified seven key areas in which joint venture should be encouraged to be established between India and African industries on priority basis. The suggested areas include leather processing plants, textile machinery, port development and mining.

On releasing the paper, ASSOCHAM president, Mr. Mahendra K. Sanghi said that concerted efforts need to be made so that the JVs are set up in these areas without any further delay. Establishment of joint ventures in such areas will also assist the government's Focus Africa Programme for promoting trade and economic ties between India and the African continent," said Mr. Sanghi.

The paper also suggests that until the proposed JVs are established, the Indian businesses should concentrate on accelerating exports of items such as textile and leather products, inorganic and organic chemicals, and software packages.

According to the paper, India's trade with the African region has been growing steadily with exports rising from $821 million in 1994-95 to $2 billion by the end of 2004-05.

Guangdong footwear supplier accused of labour rights violations

09 August 2005

Footwear retailers Clarks and Skechers have been asked to address labour rights violations at a Taiwanese-owned footwear supplier in Guangdong in China.

The Brussels-based International Textile, Garment and Leather Workers' Federation (ITGWLF) has asked the retailers how they plan to address these issues, in light of allegations that the company coaches workers on how to speak to compliance teams or monitoring staff who visit the facility, and threatens to fire workers who speak out.
ITGLWF General Secretary Neil Kearney commented, A recent China Labour Watch investigation revealed appalling conditions at the Kingmaker Zhuhai factory.

Violations at the plant include excessive hours of work, abuses of laws on overtime pay, harassment and intimidation, intrusive body searches, lack of maternity protection, the failure to grant leave and holidays, and appalling health and safety conditions. Workers are sometimes required to work up to 18 hours a day, but overtime is paid at regular rates. Workers are not allowed to punch their time card when working on a Saturday.

Monetary fines are imposed for a variety of 'offences'. For instance, being absent for a single day results in the loss of three days' wages. Workers wanting to quit the job must give the factory 15 days' notice and are not allowed to quit without the permission of management. Permission is often denied, leaving workers no choice but to lose one month's pay when they want to move on."

Altama debuts new tactical boot at WSA shoe

08 August 2005

Altama Footwear, a manufacturer of combat boots for the US military, launched its latest advancement in high-performance combat boots, the EXO-Speed series, at the World Shoe Show in Las Vegas.

The new EXO-Speed series is said to integrate the lightest, most advanced materials available from the athletic and trail running markets with the high performance requirements of a combat boot. Designed to be fast, light, and tough, special attention has been given to the wearer's comfort by utilising the latest advances in shock-absorbing midsole layers, arch support and breathable, quick drying fibres.

Nikwax introduces new spray waterproofer

08 August 2005

Following Nikwax's successful launch of SoftShell Proof as a wash-in waterproofing product for use in a normal wash cycle to re-proof soft-shell garments, the company has now added a spray versionto its range.

Messe Friedrichshafen in July 2005 was the launch for Nikwax's latest development – a new spray waterproofer for soft-shell garments.

Nikwax SoftShell Proof can be used on garments with wicking linings or for applying

to specific areas of the outer surface of a soft-shell garment. It contains improved TX.10i which is said to give better stretch and resilience while increasing resistance of the water-repellency and UV degradation.

The product is easy to apply due to its spray-on presentation and does not leave any fragrance after drying. It is also environmentally safe as it contains no chemical solvents, no fluorocarbons and is non-toxic, non-flammable and does not expel fumes.

Everlast reports record results

08 August 2005

US manufacturer and licensor of sporting goods and apparel, Everlast Worldwide Inc., has reported record financial results for the second quarter and six-months ended June 30, 2005.

The company reported record net revenues for its continuing operations of

$12.5 million for its second quarter representing an increase of 36% over the prior year period. The increase in net revenues was said to be attributable to net sales from continuing apparel operations and sporting goods, which increased 41% to $9.5 million compared with $6.8 million in the second quarter of fiscal 2004.

Net licensing revenues advanced 22% to $2.9 million compared with $2.4 million in the prior period. For the six-months ended June 2005, net revenues increased 29% to $24.7 million, over the 2004 corresponding period, led by a 35% increase in licensing revenues along with a 28% increase in continuing apparel operations and sporting goods net sales.

Wellman highlight its fibre solutions at OR

08 August 2005

Wellman, Inc., a manufacturer of Fortrel polyester products, is highlighting fibre solutions at the Outdoor Retailer Show, scheduled for August 11-15 in Salt Lake City, Utah.

Our position is, we have something that virtually fills every performance need," said David F. Whitley, business manager staple products, at Wellman. It's a different way of looking at things, when you start with the requisites, the critical issues facing our customers you can then custom-tailor the right product solution. The needs maybe somewhat similar, but the demand will differ," he added.

For instance, a t-shirt manufacturer may be looking for odour control, while a sleeping bag supplier needs mildew resistance. What they're both talking about is an anti-microbial fibre."

Wellman will highlight its range of products in the areas of comfort, odour control, durability, sustainability, and supply chain links at the show.

Wellman, Inc. products include Fortrel brand polyester fibres, and PermaClear and EcoClear brand PET (polyethyleneterephthalate) packaging resins.

Adidas and Reebok plan to make €9 billion footprint in global sports markets

08 August 2005

Following the announcement last week that adidas will acquire Reebok, it is believed that adidas, the world's second largest sporting goods brand, may at last be able to challenge Nike's crown, especially in the lucrative North American market. According to adidas, the new group will benefit from a more competitive platform worldwide, well-defined and complementary brand identities, a wider range of products, and an even stronger presence across teams, athletes, events and leagues. The new adidas Group has pro forma aggregate 2004 revenues of €8.9 billion ($11.1 billion).

Together, we will expand our geographic reach, particularly in North America, and create a footwear, apparel and hardware

offering that addresses a broader spectrum of consumers and demographics. With Reebok, we are advancing our position on the playing field of the sporting goods industry and are improving our financial strength to drive increased shareholder value," said adidas-Salomon chairman and CEO Herbert Hainer.

BASF reports 14% sales increase

08 August 2005

BASF has posted a sales increase of 14% to €10.6 billion for the second quarter of 2005 compared with the same period in 2004. Cumulative sales in the first half of 2005 amounted to €20.7 billion, almost 13% more than in the same period of the previous year.

The company stated that sales growth was primarily due to price increases, and although raw material costs were volatile and rose continuously, BASF succeeded in gradually raising its margins to the necessary level.

During his presentation of the results, BASF Chairman Dr. Jürgen Hambrecht said, Prices for raw materials and for crude oil in particular, have reached unprecedented levels. Economic growth remains weak in many parts of Europe. The geopolitical situation remains tense." However, he maintained that the chemical industry is likely to continue on a growth path in the second half of the year, at approximately 3% percent, however, he anticipates production growth for the full year to be slower than in the record year 2004, which represents a very high baseline for further growth. The strongest impulses for growth are again likely to continue to come from North America and Asia.

Based on this forecast, the company has raised its outlook for the full year 2005: We are expecting significantly higher sales and an increase in EBIT before special items compared with our already strong performance in 2004." Mr Hambrecht said.