Business Week

15th August 05 – 21st July 05

OR Summer Market 'reflects a thriving industry'

19 August 2005

Organisers of the recent Outdoor Retailer Summer Market used words such as 'awesome' and 'jam-packed' to describe the show which was held from August 11 to 14 and which was said to 'reflect a thriving industry'.

"What an awesome week, and what an honour it is to serve this incredible market," stated Peter Devin, Outdoor Group show director. "The feedback that we received from manufacturers, media, sales reps, advocacy groups, and the retailers was amazing. From the back of the Pavilion to the front edge of the Climbing Zone, the show seemed to surpass everyone's expectations and the buzz regarding new products and new sales opportunities was universally evident."

The show was held in a new expanded Pavilion that is three times larger than the Pavilion used for last year's Summer Market. This meant that new exhibitors were also able to participate such as Martin Keen's Miōn and Havaianas.

Report published on textile fibres market for China

19 August 2005

Irish research company, Research and Markets, has published a new report, Chinese Markets for Textile Fibres 2005.

China's demand for textile fibres has grown at a fast pace in the past decade, and this study examines China's economic trends, investment environment, industry development, supply and demand, industry capacity, industry structure, marketing channels and major industry participants. Historical data (1994, 1999 and 2004) and long-term forecasts through 2009 and 2014 are also presented along with profiles on China's major producers.

Veritec licenses bar code technology to adidas

19 August 2005

Veritec, Inc., a developer of two-dimensional bar code technology, through VCode, Holdings, Inc., its wholly owned subsidiary with VData LLC, has entered into a licence with adidas-Salomon AG, Adidas America, Inc. and Paxar Corporation for a portfolio of patents that apply to multi-dimensional bar codes. The licence to Adidas resolves a patent infringement lawsuit against adidas which was pending in the District Court for the District of Minnesota. The terms of the agreement were not disclosed.

SEC charges eight more in Reebok insider trading case

19 August 2005

In a second emergency action alleging insider trading in the securities of Reebok International Ltd. (Reebok), the US Securities and Exchange Commission has charged eight additional individuals who reaped illegal profits. The Commission has now identified more than $6 million in illicit gains related to the insider trading. The illegal trading took place in domestic and offshore brokerage accounts held by residents of the US, Croatia and Germany, the Commission alleged.

Acting on the Commission's request, the United States District Court for the Southern District of New York has issued temporary restraining orders that freeze the proceeds of trading in Reebok securities in the

domestic accounts and require the repatriation and freezing of the proceeds in the foreign accounts.
Mark K. Schonfeld, director of the Commission's Northeast Regional Office, said, Once again, we have taken immediate action to prevent the dissipation of ill-gotten profits both within and outside the United States. This will preserve the proceeds of the trading pending resolution of this case."

On August 5, 2005, the Commission obtained a court order freezing a securities account of a Croatian national and resident, in which a series of highly profitable and timely trades of out of the money" Reebok call options occurred in the two days prior to an August 3, 2005 announcement that Reebok had agreed to be acquired by adidas-Salomon AG.

Sports Authority announces sales increase

19 August 2005

The Sports Authority, Inc. has announced results for its second fiscal quarter ended July 30, 2005. Total sales for the second quarter were $617.0 million compared with $605.0 million in the prior year's second quarter, an increase of $12.0 million, or 2.0%. Total sales for the 26 weeks ended July 30, 2005 were up 2.7% to $1.21 billion from $1.18 billion in the prior year's comparable period, an increase of $31.2 million.

Net income for the second quarter was $14.2 million compared with net income of $6.8 million. Net income for the 26 weeks ended July 30, 2005 was $22.2 million compared with net income of $10.9 million in the prior year's comparable period.

The company opened one store and closed two stores during the second quarter to arrive at a total number of stores in operation as of July 30, 2005 of 392 stores in 45 states.

The Sports Authority, headquartered in Englewood, CO, is a national largest full-line sporting goods retailer offering a range of brand name sporting apparel and equipment.

Huntsman completes merger of subsidiaries

19 August 2005

US manufacturer of differentiated and commodity chemicals, Huntsman Corporation, has announced that it has completed the merger of two of its primary operating subsidiaries -- Huntsman LLC and Huntsman International LLC -- with Huntsman International LLC being the surviving entity.

In connection with the merger, Huntsman International LLC has entered into a new senior secured credit facility providing for a $1.85 billion equivalent term loan due 2012 and up to $650 million equivalents in revolving loans due 2010.

According to Kimo Esplin, executive vice president and chief financial officer, "The merger will simplify Huntsman's financing and SEC reporting structure and the new credit facility and related financings are expected to result in annual cash interest expense savings of approximately $20 million."

Huntsman manufactures products for a variety of industries including footwear and textiles.

AWI amends strategic plan to focus on globalisation

19 August 2005

Australian Wool Innovation Limited (AWI) has announced that it has revised its strategic plan (2004-2009) to place more of a focus on increasing the global demand for Australian Merino wool.

AWI Chairman Ian McLachlan said the plan had been updated to show the company's increased spending on the development and commercialisation of textile products and

processes. "Building relationships with leading global textile manufacturers and retailers is vital. By targeting these areas and meeting customers' demands for soft, easy care clothing, we can regain and grow Australian Merino wool's share of the world apparel market," he said.

"AWI is making a major effort in China, as Australian wool's biggest customer, an enormous domestic textiles market and a leading supplier to the major apparel markets in the US and Europe. An office has also been set up in New York, where many global retailers are based.

"Over coming years, some 53% of AWI's funding will be spent in the Textile Technology and Trade Development areas," Mr McLachlan said. "This is an increase from 36% spent last year."

He also stressed that on-farm investment remains important, and that there are also projects underway in this area, such as developing alternatives to mulesing, the commercial release of upright posture shearing platforms, genetics, natural resource management, grower networks, the release of nutrition guidelines to optimise wool and lamb production, and a strong commitment to education and training within the industry.

Teijin takes changing clothes to the extreme

18 August 2005

Japan's Teijin Fibers Limited has taken the idea of 'changing clothes' to the extreme in developing a new self-regulating fibre, provisionally named the "M.R.T. Fibre" that visibly changes its structure. The M.R.T. fibre, which has been developed for in the "Nike Sphere React" sportswear range, has reversible transformation properties, whereby the fibre stretches when moisture is absorbed and shrinks when it dries out.

In order to produce this, Teijin developed a new polymer - a polyester ester polymer - that absorbs and discharges moisture quickly, so that it 'breathes with the athlete'.

The idea behind the technology is that as the wearer sweats the M.R.T. fibre opens up instinctively, becoming more breathable to permit increased airflow across the skin. The fabric reacts to the body's moisture, and can double its breathability. This creates a cooler personal atmosphere between the body and the fabric and is said to give the athlete freedom to perform more comfortably. It then returns to its original size as the body cools.

Canadian government invests in nanotechnology

18 August 2005

Canada's government is to invest up to $3.5 million into the research and development of new nanotechnology-based coatings to be used in the production of olefins - the building blocks of plastics, textiles, consumer goods and other chemicals.

This Technology Partnerships Canada (TPC) investment is part of a $12.2-million research and development initiative being undertaken by a Canadian consortium led by Edmonton-based Quantiam Technologies Inc.

Under this initiative, Quantiam, working with NOVA Chemicals Corporation, an olefins producer, will research, develop, and demonstrate the benefits of coatings aimed at reducing energy requirements for manufacturing olefins, and significantly reducing emissions of greenhouse gases. In particular, these coatings will enhance the olefins manufacturing process and protect against carbon deposits that negatively affect process results, equipment performance and plant energy efficiency.

The production of olefins, primarily ethylene and propylene, is an over $80 billion per year industry and it is growing. Worldwide demand is higher for this chemical group than for any other.

Zumiez posts record Q2 results

18 August 2005

US specialty retailer of sports related apparel, footwear, equipment and accessories Zumiez Inc. has reported record results for the second quarter and six months ended July 30, 2005.

Total net sales for the second quarter increased by 28.7% to $39.4 million from $30.6 million reported in the second quarter of the prior year. The company posted net income for the quarter of $848,000 versus net income of $239,000 in the same quarter of the prior year.

Total net sales for the first six months of fiscal 2005 increased by 31.3% to $72.8 million from $55.4 million reported in the first six months of the prior year. The company posted net income of $808,000 versus a net loss of $439,000 in the prior year.

Rick Brooks, president and CEO of Zumiez, stated, "Our results for the second quarter, which exceeded expectations, were driven by new store openings, double digit comparable store sales gains and continued operating margin expansion. We were pleased with the strong performance of our new stores, further highlighting the expansion opportunities that exist for Zumiez on a national basis. "

Zumiez stores cater to young men and women between ages 12-24, focusing on skateboarding, surfing, snowboarding, motocross and BMX.

Retailers worry over empty shelves following EU decision

18 August 2005

Retailers in the EU have expressed worries that shelves will be empty and prices will increase following the EU's decision to limit Chinese imports of sweaters and trousers. Following this week's move to curb imports due to a breach in agreed quotas, shipments of Chinese goods have now been blocked and retailers now fear that stock levels will fall below demand and shelves will remain empty.

The goods that have been blocked are said to be worth between €200 million €250 million at cost price, which has already been paid for by European retailers.

As a result of this, European Trade Commissioner has agreed to hold crisis talks as concerns have also now been raised over Chinese imports of bras, T-shirts and blouses which have also nearly reached their quota limits.

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Columbia's anti-counterfeiting efforts prove successful

18 August 2005

Active outdoor apparel and footwear manufacturer, Columbia Sportswear Company, has reported that its efforts to eradicate counterfeiting of Columbia products in key markets such as China, Vietnam and Australia have proved successful. Working with authorities in these countries, the company has managed to seize apparel and accessories.

In July alone, Columbia seized almost 80,000 counterfeit products in a series of raids in China. Acting on a request by Columbia, Chinese officials in Yiwu City, Zhejiang Province staged a raid that yielded nearly 45,000 pairs of counterfeit Columbia pants. Other July raids uncovered an additional 34,000 garments, including parkas, ball caps and fishing vests.

Efforts to expand Columbia's anti-counterfeiting programme in Vietnam led to the shut-down of three workshops manufacturing bogus backpacks. According to the Tan Thoi Nhat Ward District 12 officials, this was the area's largest raid to date of counterfeit product.

Additionally, during the first half of the year, activities in Australia have resulted in the seizure of counterfeit apparel valued at one million dollars and led to the identification of significant importation and local distribution chains of counterfeit goods and the successful conclusion of Australian Federal court proceedings.

Everlast teams up with designer Norma Kamali

18 August 2005

Everlast Worldwide Inc. has announced that an agreement has been signed between fashion designer Norma Kamali and Everlast's women's apparel licensee Jacques Moret, Inc. to design and manufacture a sportswear/ lifestyle collection under the Norma Kamali and Everlast brands.

The collection will debut at the Coterie Show and will be sold in department and specialty stores commencing in the spring 2006 season.

Norma Kamali is known as an innovative designer. She has invented many designs like the sleeping bag coat, a collection of styles created from actual parachutes, high heeled sneakers and a packable, multi-use clothing that can be worn up to thirty variations per design.

"Fashion-textile" exhibition to be held in Kazakhstan

18 August 2005

The third Central Asian international exhibition for fashion and textiles will be held on September 15-17 in Almaty, Kazakhstan, which will highlight the latest trends in apparel and footwear, leather goods, raw materials, knitted fabric, raw yarn, trimming, and machinery.

ICO reports increased revenues

17 August 2005

US producer of custom polymer powders and film concentrates, ICO, Inc., has reported positive results for the third quarter ended June 30, 2005.

Revenues increased $9.0 million or 13% to $75.8 million during the quarter compared with the same quarter last year. Higher selling prices primarily caused by higher resin prices and stronger foreign currencies led to the revenue increase. Offsetting these factors was the impact of lower sales and service volumes which declined 7% compared with last year, due to lower customer demand.

Gross profit improved to $12.7 million, up $7 million or 6% from the same quarter last year despite the lower sales and service volumes during the quarter. This was achieved through product price increases and managing raw material procurement.

With 17 locations in 9 countries, ICO Polymers produces custom polymer powders for rotational moulding and other polymers segments, including textiles and metal coatings.

Oakley releases autumn footwear line

17 August 2005

Oakley Inc. has released its autumn 2005 footwear line for men and women, which includes technical pieces including sub-zero winter boots.

In its technical footwear category Oakley has launched a new boot called Casing - a successor to the previously popular Nail boot. Waterproof leathers and nubuck are combined with 600g Thinsulate insulation for winter protection down to -20°F. A breathable eVent waterproof membrane helps to keep the foot comfortably dry while a full gusseted tongue prevents unwanted debris entry. The tread design is engineered for all-terrain traction. Convenience features include a single-pull speed lacing system and a removable pocket for storing emergency items or personal effects.

Tefron reports positive Q2 results

17 August 2005

Israel-based manufacturer of seamless intimate apparel, activewear and swimwear Tefron Ltd., has reported a 9.1% growth in sales for the second quarter ended June 30, 2005. Sales reached $49.8 million compared with $45.6 million in the second quarter of 2004. Gross profit for the second quarter was $8.4 million, compared with $7.6 million in the same period in 2004. Net income rose to $1.5 million over $90,000 in the same quarter of the prior year.

For the first six months sales reached $102.4 million, up 8.4% compared with sales of $94.5 million for the same period last year. Gross profit for the first six months was $16.7 million, compared with $14.8 million for the same period last year. Net income was $2.7 million over $196,000 a year earlier.

Sara Lee sells stake in Delta Galil

17 August 2005

Israeli manufacturer of private label ladies' intimate apparel, socks, men's underwear, baby-wear and leisurewear, Delta Galil Industries Ltd., has announced that Sara Lee has signed an agreement to sell all of its shares – equating to 23% of the company - to GMM Capital LLC for approximately $27.7 million.

Delta Galil manufactures apparel sold under brands such as Calvin Klein, Hugo Boss, Nike, and Ralph Lauren.

Vietnam’s footwear exports rise 20%

17 August 2005

Despite the fact that Vietnamese footwear manufacturers are currently being investigated by the EU regarding anti-dumping charges, it seems that the industry is continuing to grow. According to the Ministry of Trade, footwear exports rose 20% in July to reach revenues of $300 million which now puts the country on target to reach exports of $3.4 billion for 2005.

The marked increase was attributed to continued growth in established markets and a sharp increase in new export markets such as South Africa, Taiwan, Japan, and the Netherlands.

Cognis reports continued growth in sales

17 August 2005

For the six months to June 30, 2005, Germany-based specialty chemicals supplier Cognis has posted net external sales of €1,602 million, a 2.8% increase compared with the same period in 2004.

Cognis’ sales excluding foreign currency effects and divestments increased in the first half year of 2005 by 5.2% over the first half year of 2004. Four of the company’s five Strategic Business Units – Care Chemicals, Nutrition & Health, Functional Products and Oleochemicals – achieved significant growth, with only the Process Chemicals SBU posting lower organic sales than in 2004.

Sales of process chemicals in the first two quarters totalled €179 million, down 17.6% on the same period in 2004. According to the company, the major factor for this was the divestment of the PVC stabilisers business, which came into effect on July 1, 2004. and a drop in revenues from the textile technology business.

Korean Preview to take place during New York Fashion Week

15 August 2005

The eighth Korean Preview, hosted by the Korea Trade-Investment Promotion Agency (KOTRA), will return to New York on September 7-8, 2005, presenting Korean textiles including denim, polyester, silk, cotton, wool, rayon, woven blends, and home textiles.
This year's exhibition will feature 50 major Korean textile and fabric manufacturers, who will showcase a wide range of natural, synthetic, and blended fabrics to designers, fabric buyers, and apparel manufacturers.

This year's show will be the first time that the exhibition has been held during New York's Autumn Fashion Week.

Commenting on the post-WTO era, Mr. Charles Noh, director of KOTRA New York said, Korean textile manufacturers have focused on their technical advantage, enabling them to flourish in several niche markets in the textile industry. We have established a strong presence in the United States and look forward to meeting new clients and friends in New York City."

Patagonia launches recycling programme with Teijin

15 August 2005

Outdoor gear and apparel company, Patagonia, Inc., in partnership with Japanese fabric manufacturer, Teijin, has launched a recycling programme the 'Common Threads Recycling Programme', through which Patagonia customers

are asked to return their worn-out Capilene baselayers to Patagonia. These will then be recycled into new Capilene baselayers.

According to Patagnia, research has shown that the environmental impact of using worn-out baselayers to make new polyester fibre is significantly lower than making the same fibre from virgin materials. Furthermore, making new polyester fibre from used garments is set to reduce energy cost by 76% and CO_2 emissions by 71%.

"Our goal is to take responsibility for every product we make. This includes responsibility for the fibres a garment is made of, as well as what happens to a product at the end of its useful life. Garment recycling is simply our first step towards a truly environmentally sound process," explained Michael Crooke, president and CEO of Patagonia.

The programme will begin on September 12, 2005, when customers can return used Capilene baselayers to Patagonia, via mail or at any of Patagonia's retail stores nationwide. These baselayers will then be transported to Teijin's recycling facilities in Japan, where they will be broken down and made into new Capilene garments using Teijin's EcoCircle fibre-to-fibre recycling system.

Cotton Incorporated launches Tough Cotton

15 August 2005

A series of technical developments from Cotton Incorporated's Textile Chemistry Research Department have led to a new concept for a wrinkle-resistant finish known as Tough Cotton. This concept is said to enable an all-cotton fabric to look good and last longer, while maintaining a smooth appearance after home laundering.

The Tough Cotton finish will fulfil an industry need to improve the wear life of durable press cotton garments," states H. Kenneth Greeson Jr., manager, textile chemistry research, Cotton Incorporated. For 100% cotton fabrics, achieving the best performance from durable press finishing has always been a balancing act. With Tough Cotton, the scales are now tipping in our favour," he added.

Traditional wrinkle-resistant finishes lower the strength of cotton and tend to reduce abrasion resistance. Compared with these finishes, Tough Cotton has about 20% better tensile and tear strength and boosts

abrasion resistance typically by 300%. Other benefits of the finish are shape retention, shrinkage control, quicker drying, easier pressing, inhibiting pilling and fuzzing, and improved crease edge abrasion.

Mr Greeson stated, The Tough Cotton finish has completed a set of successful mill trials and we are looking forward to an industry adoption by the end of the year."

Zensah launches seamless performance socks at OR

15 August 2005

US performance apparel producer, Zensah, introduced its seamless performance socks at Outdoor Retailer, which are said to combine function with a higher level of comfort.

"Using Zensah Fabric, our engineers have created the first performance sock which are blister resistant, moisture wicking and are also comfortable, said Ryan Oliver director of marketing.

Zensah socks include a seamless construction; anti-Bacterial fibres which reduce the risk of bacteria growth; ergonomic padding to protect the toe and heal area; a built in arch support; and are blister resistant.
The socks were launched at Outdoor Retailer Summer Market 2005 which was held in Salt Lake City, Utah from August 11-14.

ITG to purchase military uniform division of HLC Industries

15 August 2005

International Textile Group (ITG) has announced that its Carlisle Finishing division has reached an agreement to purchase the H. Landau division of HLC Industries, a worldwide supplier of specification and commercial military uniform fabrics.

The H. Landau division will be integrated into the Carlisle Finishing business, which operates as a commission printing and finishing supplier for apparel and interior furnishings products. With this purchase, Carlisle Finishing will be able to sell fabrics directly to military and government customers in addition to being a commission finisher for these and other products.

"We are excited about the expanded opportunities this purchase brings to our Carlisle business," said Carlisle Finishing President James Payne. "Carlisle Finishing is known for quality commission printing, dyeing, and finishing services and we have been aggressively involved in the printing of military camouflage. With the addition of H. Landau, we will become the direct seller of these fabrics to several customers thereby providing us new opportunities to grow the business."

Established in 1916, HLC Industries, headquartered in Philadelphia, supplies fabrics for the US Government and Armed Forces throughout the world. In addition to the H. Landau division, HLC operates the Aerotex Products division, manufacturing sport and military parachute fabrics, and the Gladwyne Textiles division, manufacturing equipment fabrics for the military and leisure fabrics industry. HLC will continue to operate the Aerotex and Gladwyne divisions.

Carlisle Finishing operates as a business unit of International Textile Group. Located in Carlisle, South Carolina, Carlisle is a domestic commission dyeing, printing and finishing operation for woven and non-woven fabrics serving the apparel, specialty and home decorative markets.