Business Week

10th October 05 – 16th October 05

Spyder names new president

14 October 2005

Designer of high-performance, technically-oriented skiwear and outerwear Spyder Active Sports, Inc., has named Jake Jacobs as the company's new president and chief operating officer. Mr. Jacobs, previously Spyder's senior vice president, product, assumes the position of president from David Jacobs, the company's founder. He will remain at the company in the role of chief executive officer. The appointments were effective immediately.

"Jake Jacobs has been thoroughly involved in executing Spyder's business strategy, and has been integral to the company's success," said David Jacobs. "He's a leading expert on fabric technology, and has incredible industry knowledge and experience. His soul is the brand. It just so happens that he's also my son."

Bannari Amman to expand spinning and weaving capacity

14 October 2005

The Bannari Amman Spinning Mills Ltd, part of the Bannari Amman Group, has announced its plans to expand production with the addition of a new spinning mill. The new mill, with an additional 75,000 spindles on top of the current 29,000, is set to be in operation by the end of the financial year 2006/2007. The company's weaving capacity will also be increased, from 28 to 88 looms.

Furthermore, a state of the art technology woven fabric processing plant for handling wider width fabric is set to be in operation before the 2007/08 financial year end, with bleaching, and dyeing facilities with calendering and sanforizing. The company also announced that all of the machinery at the new facilities would be from European companies such as Sulzer.

The Bannari Amman Group is one of the largest Industrial Conglomerates in South India, its subsidiary Bannari Amman Spinning Mills Ltd was established in 1995.

Lotto opens new outlet

14 October 2005

Following recent outlet openings in the Mantua and Bari areas, Lotto is now toasting the official opening of another new store, in the city of Udine, Italy.

The official opening of the new Lotto store situated in the historic heart of Udine took place on October 13 when a tape was cut by the company's chief sales officer, Alberto Niero, together with the Udinese football team (of which Lotto is the technical sponsor) and coach Serse Cosmi.

The new store houses all of the Lotto collections – from pure performance sports (soccer, five-a-side and tennis) to leisure wear, with an assortment of footwear, clothing and accessories.

The opening of the store takes the number of Lotto stores now operational in Italy to 29, managed either directly or through third parties.

Anatom says Bite X-Trac is a runaway success

14 October 2005

Launched in the UK earlier this year by Anatom, Bite sandals are said to have proved a great success with the X-Trac model selling particularly well. Bite, is a range of orthosport sandals that have award-winning and patented features to keep the comfort of your feet at an optimum.

The X-Trac model is designed to be a comfortable, casual sports sandal while still

offering the support and protection of an athletic version.

Pakistan's workers head home after earthquake

14 October 2005

Chairman of the Korangi Association of Trade and Industry Gulzar Firoz has said in a statement that a number of workers employed in the Korangi industrial estates have returned to their family homes to mourn or help their families following the catastrophic earthquake that hit the country on October 8.

Mr Firoz said that in the Korangi industrial area, an estimated 25% of the total workforce - that comes from the areas that were devastated by the earthquake - have left the city.

He said that production has been affected at plants due to the departure of workers and facilities, but those that have not left the area are now working extra hours to try to compensate for this at the Korangi estate, which spans over 8,500 acres, and employs some 100,000 people largely in leather and textiles.

Unofficial reports place the death toll from the earthquake at more than 40,000 people and it is believed that more than 2.5 million people are homeless.

EC tables measures to boost R&D in face of Chinese competition

13 October 2005

To address the challenge of rising competition from emerging countries such as China and India, the European Commission has proposed an integrated innovation/research action plan, which calls for a major upgrade of the conditions for research and innovation in Europe. Under the plan the EC intends launching initiatives to promote innovation and research, such as redeployment of state aid, improved efficiency of intellectual property protection, mobilisation of additional funds for research, creation of innovation poles, and improving university-industry partnerships.

Vice-president Günter Verheugen responsible for enterprise and industry policy said, Innovation and research are crucial if the EU is to return to sustainable growth. This plan addresses the weaknesses the EU has in this field. But the best strategy is not worth much if Member States do not chip in the money to realise it. Every cent which goes into innovation and research is a cent invested in jobs, growth and hence our future."

The EU invests about a third less in research than the US, and the EU/US innovation gap has not narrowed in recent years. Meanwhile, emerging countries like China and India are fast becoming world-class centres of research and innovation.

Commissioner Janez Potočnik, responsible for science and research, added: We are still far away from the target of 3% of GDP invested in research by 2010, and Europe's investment is stagnating. Investing in knowledge is the best way for Europe to be competitive on the global stage and maintain its quality of life. Our proposals will help to get Europe back on the right track."

Performance Fibers acquires minority share from joint venture partner

13 October 2005

Performance Fibers has announced that its Asian subsidiary has signed an agreement that will give it full ownership of the company's operations in Kaiping, China.

The subsidiary, Performance Fibers Asia, LLC (PFA), has signed an agreement with Guangdong Kaiping Chunhui Co. Ltd. (Chunhui) to acquire Chunhui's 30% equity share in Performance Fibers Kaiping Company Limited (PFK).

PFK is a joint venture owned by PFA (70%) and Chunhui. Chunhui acquired a 30% equity share earlier this year from Guangdong Kaiping Polyester Enterprise Group (KPE), which had been the minority joint venture partner since 1996.

PFA will become the 100% owner of PFK after the transaction is completed in December 2005.

Performance Fibers is a supplier of high-tenacity polyester and a global manufacturer of other man-made industrial fibres and fabrics. With manufacturing facilities in North America, Asia and Europe, its products are used in a wide range of consumer and industrial applications.

US-China textile talks fail

13 October 2005

The latest round of US-China textiles talks, held in Beijing, have once again ended without success.

Speaking after the close of the fourth round consultations, David Spooner, the Special Textile Negotiator said, “We have just ended the fourth round of negotiations with the Chinese aimed at reaching a broad agreement. We have not come to an agreement that meets the needs of our domestic manufacturers and retailers. Our overall goal, as we've said all along, is to reach a longer-term solution that will permit greater stability in textile and apparel trade. The US has been using its right under China’s WTO accession agreement to invoke safeguards in cases of market disruption or the threat of market disruption, and we will continue to do so as appropriate."

Balluff launches new photoelectric colour sensors

13 October 2005

German designer and manufacturer of sensors, Balluff GmbH, recently expanded its line of photoelectric sensors with the new Series BFS 27K colour sensors. These sensors are said to be highly sensitive and ideal for detecting dark colours.

According to the company, the outstanding features of the new product range include the shortest response times for high-speed applications and high colour sensitivity, in particular when it comes to dark colours and low-reflectivity objects. Even small colour differences can be detected, for example in quality control of textiles, leather, or plastics, such as in the production of automobile seats.

The company unveiled the new line at MOTEK 2005, a forum for manufacturing technology, in Sinsheim, Germany in September.

Alpina launches Sympatex footwear in the UK

13 October 2005

Leading waterproof, windproof and breathable membrane supplier Sympatex Technologies has announced a new partnership in the UK with Slovenian footwear manufacturer Alpina, which launched a range of footwear featuring the Sympatex All Weather membrane at the Go Outdoors Show in October.

The Sympatex membrane will feature in a wide selection of the Alpina spring/summer 06 footwear range including the backpacking boots Tibet, Aspen hiking boots, and the multi-activity Vision range.

Sympatex All Weather membrane offers a high level of breathability through its molecular components that transport water vapour away from the feet. At the same time the membrane is 100% waterproof and windproof providing absolute protection from the weather, which ensures that the wearer’s feet remain dry and comfortable in all conditions.

Adidas to unveil fifth anniversary T-MAC

13 October 2005

After launching the first T-MAC in 2000, adidas has announced that the fifth edition of NBA star Tracy McGrady’s signature shoe series, the T-MAC 5 is set to launch globally on October 28, 2005.

On the technology and performance side, the shoe’s upper will feature lightweight synthetic leather with anatomically placed geoFIT pods and a moulded strap. Within the midsole there is internal EVA with a TPU

heel inserts, chassis and customised moulded PU sockliner with adiPrene.

The T-MAC 5 will be featured in two initial colours: white/black/red and black/red, with an additional colour set to hit the market in February 2006 around the NBA All-Star Game.

Levi Strauss publishes list of suppliers

12 October 2005

Levi Strauss & Co. has published a list of all active owned-and-operated and contract factories producing Levi's, Dockers and Levi Strauss Signature branded products.

In 1991, LS&CO. was the first multinational company to enact a global code of conduct for suppliers. Codes of conduct are now an apparel sector norm and have significantly contributed to improved conditions for workers and the decline in issues such as child and forced labour.

"By sharing our list of suppliers publicly, we recognize the efforts of those suppliers who are meeting our code of conduct and improving factory working conditions," said Michael Kobori, vice president, Global Code of Conduct at LS&CO. "We also establish a sense of accountability that we hope will encourage factories to maintain positive working conditions and begin to foster greater factory ownership of the compliance process."

Meanwhile the company has also announced financial results for the third quarter ended August 28, 2005, reporting modest net sales growth and good profit performance for the period. Third-quarter 2005 net sales were $1.02 billion compared with $995 million for the third quarter of 2004, representing an increase of 2.4%. The sales increase was driven primarily by increased net sales of the Levi's brand and the Levi Strauss Signature brand in the Asia Pacific and the US regions. These gains were partially offset by lower sales in the European region and the US Dockers brand. Net income for the third quarter decreased $8 million to $38 million, compared with net income of $47 million in the same quarter of 2004.

Kellwood sells business units

12 October 2005

US branded and private label apparel company Kellwood has sold its David Brooks and Dotti business units.

Following our announcement at the end of July concerning several restructuring initiatives aimed at advancing our corporate strategic objectives, we are pleased to report that we are on our way to accomplishing these goals with the sale of these two business units," said Robert C. Skinner. Jr, president and CEO of Kellwood.

The company has sold David Brooks to Hampshire Group, Limited, an apparel manufacturer based in Anderson, South Carolina. The Dotti business was sold to A.H. Schrieber Co., Inc., a swimwear firm based in New York.

Stiftung der Deutschen Bekleidungsindustrie 2006 award announced

12 October 2005

Local – Global" is the topic of the Award of the Stiftung der Deutschen Bekleidungsindustrie 2006 (German Apparel Industry Foundation). According to organisers, although fashion has always been globally oriented, until today there have still always been special regional characteristics and national design cultures. Designs are now being sought for the competition, which are founded in a local clothing culture and consequently provide the market with their own approach and identity. European fashion and design schools are invited to combine these local elements in new, up-to-date and globally attractive symbols.

A jury composed of internationally experienced experts from the design, marketing and media industry will select the

prizewinners from the works according to set criteria.

The prizewinning works will be exhibited at ispovision winter 06 which will be held in Neue Messe München from January 29 to February 1, 2006

Bayer MaterialScience holds polyurethanes workshop

12 October 2005

The Polyurethanes Business Unit of Bayer MaterialScience AG staged a workshop for designers and engineers called "PUR:Design" in Bad Honnef, Germany, on September 27 - 28, 2005.

The two-day event gave the 50 participants the chance to see the wide range of options offered by polyurethanes. It began with a guided tour of the facilities in the Polyurethanes Technical Service Centre in Leverkusen, which was followed by 16 presentations during the subsequent workshop focussing on applications in the sports and leisure, automotive, furniture, and medical technology sectors.

"The properties of polyurethanes range from rigid and solid to flexible and comfortable. Because they are lightweight, they fulfil many functions, and can be moulded into any conceivable shape, giving designers free rein to use their imagination," said Monika Brandt, an expert in polyurethanes at Bayer MaterialScience and the organiser of the workshop.

Adidas Europe reorganises business to include Russia/CIS

12 October 2005

Adidas Region Europe has reorganised its business in Russia/CIS and in the so-called Area Emerging Markets, to strengthen these markets and position the regions for further growth.

With immediate effect, Russia/CIS (Ukraine, Kazakhstan, Belarus, Uzbekistan, Armenia, Azerbaijan) is elevated to Area status to further develop this fast growing market. Area Emerging Markets now consists of Zone Middle (Turkey, Bulgaria, Romania, Cyprus), the Middle East and Africa.

After successfully combining operations in Northern, Central and Southern Europe, we now have the right organisational structure and all the key players in place to strengthen our business even further and to continue our success in this part of the region, where our business is developing extremely well," said Roland Auschel, Head of adidas Region Europe, Middle East and Africa.

Meanwhile, adidas-Saloman confirmed its 2005 profit and sales forecasts. The company expects net income to grow by 20% in 2005 with sales expected to report significant growth.

New Interstoff Asia concept proves successful

12 October 2005

The 'new look' Interstoff Asia took place for the first time October 5-7 at the Hong Kong Convention and Exhibition Centre, with three key concepts of creation, function and fashion. The event has been re-shaped to cater to the needs of a changing textile and garment industry and it seems to have worked, attracting 10,514 visitors, 2,600 of which came from abroad.

"It was time to re-think the show," says Katy Lam of Messe Frankfurt. "Interstoff Asia has been running on a very successful formula for 18 years, but the industry is changing. There is a real need for an event reflecting new vertical sourcing methods in the textile and garment business."

Over 280 exhibitors from 16 countries and regions participated in the show, and according to organisers the feedback was on the whole very positive, appealing to both garment and textile manufacturers.

Nicaragua ratifies CAFTA agreement

12 October 2005

The United States has congratulated the Nicaraguan government for passing the US-Central America-Dominican Republic Free Trade Agreement, known as CAFTA-DR.

In a statement issued on October 11, the Office of the US Trade Representative (USTR) hailed Nicaragua's action.The United States and its CAFTA-DR partners "are working towards a target date of January 1, 2006, for implementing this agreement," said the USTR office.

The State Department, in a separate statement, welcomed the Nicaraguan General Assembly's decision to join with the United States, the Dominican Republic, and three other Central American countries in ratifying the Central America Free Trade Agreement," calling the action Nicaragua's best opportunity to derive the benefits of trade and investment that will increase employment and bring prosperity to the Nicaraguan people."

Costa Rica is the only country covered by the pact that has not yet ratified it.

Brazilian safeguards against Chinese imports implemented

11 October 2005

Brazil has imposed safeguards against certain Chinese imports including footwear and textiles, in an attempt to protect the country's most important manufacturing sectors. Resolution 5.556 was signed by President Luiz Inácio Lula da Silva and published in the Official Journal on October 6, enabling industrial sectors that feel threatened by Chinese imports to request specific measures to protect the domestic industry. However the safeguards will not be implemented automatically and each sector must apply for protection.

INDA annual meeting announced

11 October 2005

The Association of the Nonwoven Fabrics Industry (INDA) annual meeting has been scheduled for March 5-7 at the Biltmore Hotel in Coral Gables, Florida. According to organisers the event will include an education programme featuring nationally recognised business speakers, and discussions on global issues that are impacting the nonwovens industry.

The featured speaker will be Peter Ricchiuti, a professor at Tulane University who will provide his perspective on the global and domestic economic and business climate, tempered with personal insights into the impact of Hurricane Katrina on his home city of New Orleans.

Also on the schedule for the three-day event will be roundtable discussions on topics ranging from the need for innovation in engineered fabrics, the outlook for the global nonwovens industry and outside influences on the business of nonwovens.

The North Face opens first store in Spain

11 October 2005

The North Face has opened its first store in Spain in the centre of Madrid. Opened in partnership with Barrabes Esqui Montaña, the store is located in what is said to be one of Madrid's most interesting commercial areas.

The Madrid store will carry the complete line of The North Face authentic, technologically advanced apparel, footwear and equipment , noted Topher Gaylord, president Outdoor International which comprises The North Face and JanSport brands.

These products both inspire and enable outdoor enthusiasts and all consumers who appreciate the best product to explore the great outdoors."

Fashion meets technology at industry fashion show at INTC

11 October 2005

The first ever International Nonwovens Technical Conference (INTC) was held in St. Louis in September, at which 10 students

working towards a Textile and Apparel Management degree at North Carolina State University's College of Textiles modelled apparel designed and made using currently available nonwoven fabrics from Freudenberg, DuPont, and PGI.

We wanted to show the industry that one day nonwovens could have a place in the fashion apparel market," explained Kate Dutton, one of the three graduate students participating in the project.

The Fashion Show was the culmination of a collaborative research project between North Carolina State's College of Textiles and the Freudenberg Nonwovens Group which began in autumn 2004.

INDA President Rory Holmes praised the students and their advisors for their effort in organising the fashion show and their creativity in utilising nonwoven fabrics in apparel design. This event goes to show that creativity is alive and well in our country's schools and that the future of the nonwovens industry is in good hands," Holmes said.

Huntsman resumes production at hurricane-impacted plants

11 October 2005

Huntsman Corporation has announced that it has resumed production at two manufacturing facilities that were closed in the face of Hurricane Rita.

Huntsman's titanium dioxide joint venture facility in Lake Charles, Louisiana and its Butadiene plant in Port Neches, Texas resumed production on October 10. Neither of the sites sustained serious structural damage but both needed minor repairs, and both were hampered by a loss of electrical power and availability of raw material from facilities affected by the hurricane. The Butadiene facility is currently running at reduced rates due primarily to storm-impacted customers of butadiene and co-products being unable to receive product.

President and CEO, Peter R Huntsman, commented, "We are pleased with our progress in restarting our facilities. We are extremely fortunate that our sites sustained relatively minor damage, especially given where the storm's eye came ashore."

Huntsman is a global manufacturer and marketer of differentiated and commodity chemicals. Its operating companies manufacture basic products for a variety of global industries including chemicals, footwear, textiles, plastics, automotive, aviation, and packaging.

BASF outlines strategy for Europe

11 October 2005

BASF has presented its new Europe Strategy 2015 at a press conference in Ludwigshafen. Over the next few years, the specialty chemical company wants to outperform the market, in order to win market share, cooperate more closely with its customers, and expand its market position in certain countries.

BASF's roots are in Europe," said Eggert Voscherau, vice chairman of the board of executive directors of BASF AG. If we look just at the global EBIT of our chemical businesses – in other words our core business – Europe has contributed more than half for many years. The majority of BASF's employees work in this region, and in the future we intend to continue to invest around €1 billion per year here, subject to profitability," he continued. It therefore made sense, Mr Voscherau added, for BASF to plan to expand its business in its home market over the next few years.

Steven Madden reports positive preliminary results

10 October 2005

US designer, wholesaler and retailer of fashion footwear, Steve Madden Ltd., has reported positive preliminary results for the third quarter. Based on stronger than anticipated sales in both the wholesale and retail divisions throughout the quarter, the

company expects to report third quarter net sales in the range of approximately $99 million to $100 million, compared with $88.6 million in the same period of the prior year, an increase of approximately 12% to 13%.

"Our third quarter performance is a strong testament to the continued progress we are making in improving our overall operations, and accordingly, we are optimistic about the long-term," said Jamieson Karson, chairman and CEO.

Lupo eyes Arab countries

10 October 2005

Lupo, one of the largest Brazilian sock and men's underwear producers, is planning to expand its presence in the Arab market. The company that already sells to Saudi Arabia, Jordan, Lebanon and to the United Arab Emirates will now export to Qatar and Bahrain. "Our exports to the Arabs grow year by year," stated the company commercial director, Valquírio Ferreira Cabral.

According to Cabral, the Arab countries are not great producers in the textile sector and for this reason he believes that there are chances to increase market participation.

Lupo exports 10% of production to 32 countries. The main markets for company products are France, Uruguay, Chile and the United States.

With over 80 years in the market, Lupo was one of the pioneer sock producers in Brazil, and one of the first to use polyamides in men's and children's socks.

Solutia declares ‘force majeure’ on nylon products

10 October 2005

US-based Solutia Inc., a manufacturer and provider of performance films, specialty chemicals and an integrated family of nylon products, has announced that it has recently declared force majeure for certain products within its integrated nylon division due to the impact of Hurricane Rita.

According to the company, Hurricane Rita has caused raw material and utility supply limitations, and some of Solutia's suppliers have declared force majeure. And as a result of these supply limitations, Solutia is allocating available supply of certain products during the force majeure period.

Solutia has contacted customers and is actively managing the situation to mitigate the effects of this interruption in supply on its operations and customer deliveries. However, the duration of the force majeure period and the potential financial impact of this situation on the company are unknown at this time.

Burlington Coat Factory reduces losses

10 October 2005

Burlington Coat Factory Warehouse Corporation has reported its sales and net loss for the first quarter ended August 27, 2005.

Net sales from continuing operations for the three months ended August 27, 2005 were $650.8 million compared with sales of $574.2 million during the corresponding period of last year. Comparative store sales for the quarter increased 8.9%. Total sales for the comparative quarter increased 13.4%.

Net loss for the three months ended August 27, 2005 was $15.9 million compared with a net loss in the comparative three-month period ended August 28, 2004 of $18.7 million.

Kreido enters European market

10 October 2005

Kreido Laboratories has announced that Huntsman has purchased its STT Reactor System, marking the US company’s entrance into the European market. The STT is a system for manufacturing

chemicals, pharmaceuticals and other biological products. It is designed to improve selectivity, increase yields and initiate novel chemistries and the technology is said to improve the efficiency, quality and speed of chemical processes and facilitate continuous manufacturing.

AWI urges FTA with China

10 October 2005

According to a report released by Australian Wool Innovation Limited (AWI), the wool industries in both Australia and China have much to gain from a Free Trade Agreement (FTA) between the two countries.

The report by ITS Global reportedly showed that the Australian wool industry could expect that the inclusion of wool in an Australia-China FTA would result in an increase in wool production of up to 10% and increases in farm cash income of up to 7% over and above that which would occur without an FTA.

The report was commissioned by AWI to investigate the impact of an Australia-China FTA on the industries both in Australia and in China. It found the industries in both countries were complementary, with Australia supplying 75% of China's wool needs and China taking some 50% of Australia's total wool exports.

AWI also announced a China Free Trade Committee, a sub group of the broader AWI Trade Committee, which will be responsible for liaising with government and informing the Australian wool industry as the negotiations progress.

Chair of the committee and deputy chair of AWI, Brian van Rooyen, said it was critical that the Australian industry understood the importance of this issue. "The industries in both countries have much to gain from wool's inclusion in an Australia-China FTA. Over the next five years China will command 62% of global apparel wool demand. If Australia is to benefit from this expansion, restrictions to trade must be removed."

A global tariff rate quota system currently operates on greasy and lightly processed wool. Wool sold over and above the quota incurs a duty of 38% which is said to create a significant disincentive for demand for Australian wool once the quota has been reached.