

NEWSLETTER

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NEWS IN BRIEF

Apparel Buyers May Shift To Sri Lanka Until Bangladesh Stabilizes: Jaaf



- Expects a few foreign buyers to turn to Sri Lanka until situation there normalises.
- Notes it's impractical for SL to fully absorb the volume of orders displaced by the crisis.
- Says ready to help mitigate shortfalls and support supply chain stability.

As Bangladesh, a major player in the global apparel market, grapples with a severe crisis, Sri Lanka is poised to benefit from some apparel orders in the short term, according to the Joint Apparel Association Forum (JAAF).

The crisis in Bangladesh may prompt buyers to seek alternative sources to maintain their supply chains and meet critical deadlines.

JAAF Secretary General Yohan Lawrence highlighted Sri Lanka's agility and sophisticated production capabilities, noting that the country has spare capacity to temporarily fill some of these gaps.

"Given Sri Lanka's proven ability to adapt and our available capacity, we expect some foreign buyers to turn to Sri Lanka until the situation in Bangladesh stabilises," Lawrence told Mirror Business.

"This was a similar dynamic to what we experienced during our own crisis."

However, Lawrence acknowledged that Bangladesh's apparel industry is significantly larger than Sri Lanka's, making it impractical for the island nation to fully absorb the volume of orders displaced by the crisis.

"If buyers are satisfied with the cost, quality, and sustainability benefits of shifting production to Sri Lanka, we may retain some of them in the medium to long term," he said.

While Sri Lanka cannot match Bangladesh's scale, its ability to execute smaller, agile production runs could make it a valuable component in global supply chain resilience strategies.

"Our focus remains on delivering high-quality, reliable service to both existing and new clients during this interim period. We are ready to help mitigate shortfalls and support supply chain stability," Lawrence added.

The ongoing instability in Bangladesh has disrupted the business environment, including the apparel sector, though some factories are resuming operations.

"Having faced similar challenges in Sri Lanka just two years ago, we understand the complexities and hardships involved," Lawrence said, extending the Forum's heartfelt thoughts to the people of Bangladesh.

"We acknowledge their resilience and hope for a swift resolution to these turbulent times."

Source: Daily Mirror



Large Apparel Firms Urged To Lead Country's Sustainability Drive

As sustainability is no longer a choice but a necessity for the textile and apparel industry, a top public official stressed that large industry players have an inherent responsibility and a larger role to play in guiding and supporting the whole industry on the path to sustainability.

Presidential Secretariat, Climate Change Office Sri Lanka, Senior Additional Secretary/ CEO Dr. Anil Jasinghe highlighted the significant environmental impact of textile production, including water and energy consumption, waste generation, and carbon emissions. He emphasised that adopting sustainable practices is essential to conserving resources, reducing water usage, and minimising the industry's carbon footprint.



Dr. Anil Jasinghe

Adopting sustainable practices is crucial to conserving resources, reducing water usage, and minimising the industry's carbon footprint, he said.

Dr. Jasinghe acknowledged the efforts of the country's major apparel players in advancing sustainability without substantial state support, contributing to their global competitiveness.

“The big players in the apparel industry have been trailblazers in greening their operations. However, it's crucial that elder brothers support the younger ones,” he said, delivering the keynote address at Sri Lanka's first-ever Sustainability Summit held in Colombo yesterday. The event is hosted by the country's first multinational textile manufacturer, Teejay Group.

Despite these advancements, Dr. Jasinghe highlighted the sector's heavy reliance on scarce resources. The industry consumes around 30 percent of Sri Lanka's total electricity, with 562 garment factories and 100 textile processing plants accounting for nearly 16 percent of the industry sector's power usage.

Source: Daily Mirror



Globally, the textile industry is responsible for 10 percent of greenhouse gas (GHG) emissions, surpassing the combined output of air travel and shipping, according to the European parliament. In Sri Lanka, the industrial sector, including textiles, contributes 25 percent of the country's GHG emissions.

Dr. Jasinghe noted the government's recent initiatives to promote inclusiveness, greening, and sustainability within the apparel sector. Through the EU-funded Green Recovery Facility, 16 of Sri Lanka's 70 industrial parks are set to be transformed into Eco Industrial Parks, with key zones such as Katunayake, Biyagama, Seethawaka, and Koggala included in the initiative.

Additionally, the EU's five-year Accelerating Industries' Climate Response project aims to support the development of a decarbonisation roadmap for the textile and garment sector, aligning with the Net Zero 2050 Roadmap. The project will focus on implementing both capital-intensive low-carbon technologies and cost-efficient energy-saving measures across 100 industries.

"In the financing arena, mechanisms are being developed to de-risk low-carbon technologies, with a climate finance strategy in the works. The project will prepare 80 bankable proposals for financing, enhancing the capacity of banks to evaluate sustainable projects," Dr. Jasinghe explained.

He stressed the need for a collective commitment from all stakeholders to steer the industry toward a sustainable future.

"The path to a sustainable future for Sri Lanka's textile and apparel industry is clear. By embracing sustainability, ensuring transparency, integrating ESG principles, and leveraging technology, we can lead our industry to a brighter, more sustainable future," stressed Dr. Jasinghe.

Source: Daily Mirror



Sri Lanka's manufacturing expands in July; suppliers' delivery time up



INSIGHTS

- Sri Lanka's purchasing managers' index for manufacturing was 59.5 in July this year, indicating a continuous expansion in manufacturing activities, the country's central bank recently said.
- All sub-indices contributed positively to this improvement.
- The increase in new orders and positive employment figures were driven by the textiles and apparel sector.

Sri Lanka's purchasing managers' index (PMI) for manufacturing was 59.5 in July this year, indicating a continuous expansion in manufacturing activities, the country's central bank (CBSL) recently said.

All sub-indices contributed positively to this improvement, a CBSL release said. The increase in new orders was driven by the textiles and apparel sector.

Moreover, production increased during the month, mainly due to the improved performance in the manufacture of food & beverages and textiles & apparel sectors.

Employment turned positive in July, mainly attributed to the manufacture of textiles & apparel.

Stock of purchases also expanded in line with the increased demand for materials.

Meanwhile, suppliers' delivery time increased further in July.

Source: Fiber2Fashion



EXPORT OF APPAREL STATISTICS

Export of Apparel for the Month of July 2019 - 2024

	2019 US\$. Mn	2020 US\$. Mn	2021 US\$. Mn	2022 US\$. Mn	2023 US\$. Mn	2024 US\$. Mn	2023/2024 Change %
Total Exports	452.00	441.93	425.75	522.14	401.18	414.38	3.29
US	205.00	181.08	182.72	213.65	173.70	138.21	5.47
EU	116.88	139.42	116.62	154.29	117.16	114.63	-2.16
UK	66.59	63.84	57.98	14.98	51.50	55.72	8.19
Other	63.53	57.59	68.43	79.22	58.82	60.82	3.40

Export of Apparel January - July (Cumulative) 2019 - 2024

	2019 US\$. Mn	2020 US\$. Mn	2021 US\$. Mn	2022 US\$. Mn	2023 US\$. Mn	2024 US\$. Mn	2023/2024 Change %
Total Exports	3,072.30	2,277.09	2,752.25	3,314.78	2,686.94	2,673.19	-0.05
US	1,342.87	1,011.57	1,110.41	1,411.56	1,074.71	1,058.34	-1.52
EU	803.73	623.50	840.87	963.25	807.23	774.20	-4.09
UK	486.87	332.56	385.60	455.47	373.24	400.04	7.18
Other	438.38	309.46	415.37	484.50	431.76	440.61	2.05

Export of Apparel in the Month of July 2019 - 2024 to All Countries

	2019 US\$. Mn	2020 US\$. Mn	2021 US\$. Mn	2022 US\$. Mn	2023 US\$. Mn	2024 US\$. Mn
Chapter 61	268.00	251.84	257.02	319.77	253.43	257.40
Chapter 62	175.00	152.45	158.43	193.62	140.18	148.83
Chapter 63	9.00	37.64	10.30	8.74	7.57	8.14
Total	401.18	441.93	425.75	522.13	401.18	414.37





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