

## INDONESIA

## Jakarta, PSF's ASEAN launch pad

Indonesia has been chosen as the second satellite venue, after India, for the prestigious Prime Source Forum (PSF), a unique platform for the global fashion industry that is held annually in Hong Kong since 2006. The one-day session scheduled to take place in the nation's capital, Jakarta, on January 30, 2013, and labelled as 'Prime Source Forum - Focus on ASEAN' is PSF's first step into the 10-nation economic grouping, the Association of Southeast Asian Nations (ASEAN).

Michael Duck, the director of the Hong Kong-based APLF that organises PSF besides fashion and lifestyle focused trade fairs, points out that ASEAN's 600 million population is equivalent to 9% of the world's population. As a single economic bloc its combined nominal GDP of US\$2 trillion ranks 9th in the world. "We should definitely not underestimate this fast growing region," he adds. Promoting the region's textile and apparel industries to international brands and retailers can, according to Mr Duck, "definitely strengthen the importance of these manufacturing sectors to the development of the ASEAN economies."

As a textile and garment exporting economy ASEAN ranks far ahead of India and second only to China. Last year, the region exported US\$53 billion worth of textiles and garments compared with India's \$29.4 billion. However, export achievement alone is not, it appears, the determining factor. For PSF's move to tap ASEAN comes after it tested its first satellite forum in India with a three-day assembly last September in Gurgaon, some 30 km south of the national capital Delhi and scheduling another, based on the success in Gurgaon, to be held in Delhi in July 2013.

Picking a venue in the 10-member ASEAN also could not have been easy. Eight of the ASEAN member states are textiles and garment exporters shipping between \$410 million (Singapore) and almost \$17 billion (Vietnam) worth of goods last year. Over the past ten years their market share has shifted significantly. In 2000 when the region's textile exports totalled \$24.2 billion Vietnam was ASEAN's fifth ranking textile goods exporter, standing

behind Indonesia, Thailand, Malaysia, and the Philippines, in that order. Last year it overtook them all to become ASEAN's leading textile goods exporter accounting for almost a third of the region's total textile sector exports of more than \$53 billion. Over this period Vietnam's textile sector exports had increased seven folds whereas exports from its immediate rival, Indonesia, expanded only 56%. Nonetheless, Indonesia was picked as PSF's ASEAN launch pad. That decision came with the support of Ade Sudradjat, the chairman of the ASEAN Federation of Textile Industries (AFTEX) who is also the chairman of the Indonesia Textile Association (API). Indonesia's rising economic strength and importance as an attractive investment destination in the region also could have weighed in its favour. Vietnam, it is understood, could be the next destination.

"There is no better platform than PSF - Focus on ASEAN to promote the region, its economies and the sourcing activities of its textile and apparel industries to the world," says Ade Sudradjat. According to Michael J. Blakeley, the director of the US government-funded Value Project which supports integration of key ASEAN industries, ASEAN textile and apparel industry is building on its already robust exports of

apparel to major markets, proactively integrating upstream to downstream elements of the supply chain in order to create a more vertical sourcing platform. "Global brands and retailers are certainly seeking more competitive arrangements with their vendors in ASEAN and the local industry is attempting to respond," says Mr Blakeley. Existing trade arrangements with growing markets like China, he thinks, "create additional competitive reasons to produce apparel in ASEAN." Trade preferences with the EU, Mr Blakeley points out, have allowed industries in Cambodia and Laos to grow and increase capabilities. Indeed, over the past 10 years Cambodia's textile sector exports have risen from \$970 million to almost \$4.1 billion last year. "Future trade preferences currently being discussed or negotiated could also lead to interesting opportunities for apparel produced in ASEAN," says Mr Blakeley. Once the ASEAN Economic Community comes into effect in 2015 and ASEAN operates as a single production base, the region, he thinks, "will surely be more efficient and cost effective with dramatic improvements in trade facilitation."

The coming PSF forum in Jakarta is expected to cover such topical issues as including development forecasts on the fashion industry, difficulties encountered by ASEAN manufacturers and the establishment of an effective supply chain alliance among countries in the region.

PSF organiser, APLF is a joint venture between UBM Asia and the SIC Group, both noted trade fair organisers. For inquiries about PSF in Jakarta, contact josephine.ching@ubm.com

## INDIA

## Manmade fibre marks new high

From Prakash Kinny, Mumbai

Indian exporters of manmade fibre textiles hope to attain US\$7 billion worth of exports during the current fiscal year ending March 31, 2013. If that hope becomes reality, it will, once again, be a record-breaking achievement, representing almost 23% export growth. Shipment of these items during the previous fiscal had risen 19% to \$5.7 billion and surpassed what was regarded as an ambitious target

of \$5.5 billion which the Synthetic & Rayon Textiles Export Promotion Council (SRTEPC), a government-organised exporters' body, had aimed for the year. That performance, the chairman of SRTEPC, Vinod K. Ladia, told the council's annual general meeting in Mumbai in early September, stands against the unfavourable situation at home and difficulties Indian exporters faced in overseas markets.