



The ICG Newsletter

Recent global news from the retail, textile, apparel, footwear, and agriculture sectors

The Americas

Target Pledges \$2 billion to Black-owned Suppliers by 2025

Target Stores announced a commitment to increase its spending across multiple categories to \$2 billion by 2025 from apparel to health & beauty and wine. The company already has 50 Black-owned suppliers of beauty products but wants to expand that category.

Source: https://www.supplychaindive.com/news/target-to-spend-over-2b-with-black-owned-suppliers-by-2025/598069/?utm_source=Sailthru&utm_medium=email&utm_campaign=Issue:%202021-04-12%20Supply%20Chain%20Dive%20%5Bissue:33548%5D&utm_term=Supply%20Chain%20Dive

New Holland Closes Nicaragua Operations

New Holland announced the closing of their operations in Nicaragua and Honduras while planning to move their manufacturing operations to El Salvador. The secretary of the Free Zone Trade Workers Union cited the lack of machinery with current technology as the primary reason for the company to close operations. Up to 5700 workers could be affected by the move.

Source:

[https://www.centralamericadata.com/en/article/main/Clothing_Company_Closes_Operations_in_Nicaragua?utm_source=newsletter&utm_campaign=daily_2021_04_15&u=d1aa0be7e8e447b366306ad886608952&s=n&e=3&mid=\[MESSAGEID\]&utm_medium=Clothing_Company_Closes_Operations_in_Nicaragua](https://www.centralamericadata.com/en/article/main/Clothing_Company_Closes_Operations_in_Nicaragua?utm_source=newsletter&utm_campaign=daily_2021_04_15&u=d1aa0be7e8e447b366306ad886608952&s=n&e=3&mid=[MESSAGEID]&utm_medium=Clothing_Company_Closes_Operations_in_Nicaragua)



Tommy Hilfiger and Family Start Fashion Business School at Elmira College

The founder of Tommy Hilfiger, along with his two siblings, natives of Elmira, NY announced the opening of the Fashion Business School at Elmira, NY. The three-year program will be combined with an existing bachelor's in business administration program. Internship opportunities for students will be made available at the company's New York offices and possibly at overseas locations. For history buffs, Elmira was also the summer home of the famous author, Mark Twain and is where Twain wrote his famous books. He is also buried there. Twain's office is on the campus of Elmira College.

Source: <https://www.wenyc.com/story/43657148/tommy-hilfiger-partners-with-elmira-college-to-open-fashion-business-school>

Kohl's Partners with Tommy Hilfiger Men's Sportswear

Adding to its current partnerships with Cole Haan, Eddie Bauer, Land's End and Sephora, Kohl's is adding the Tommy Hilfiger Men's Sportswear line to their 600 stores. In addition, they will be adding "an elevated branded in-store and merchandise experience in nearly 100" of those 600 stores. It remains to be seen what impact this will have on Macy's that is largely tied to stores in malls versus Kohl's free-standing stores.

Source: https://www.retaildive.com/news/kohls-tommy-hilfiger-partnership-is-another-blow-to-macys-malls/598720/?utm_source=Sailthru&utm_medium=email&utm_campaign=Newsletter%20Weekly%20Roundup:%20Retail%20Dive:%20Daily%20Dive%2004-24-2021&utm_term=Retail%20Dive%20Weekender



EAME

NGO Calls for Living Wage for Garment Workers

UK-based The Circle, an NGO started by singer/song writer Annie Lennox, is calling upon the EU to establish a living wage for garment workers. Citing a recent survey showing that garment workers worldwide lost between \$3.19 - \$5.87 billion in wages when retailers cancelled orders and factories closed with many workers not being paid for work they had already completed in the first three months of the Covid-19 pandemic, March – May 2020. The full proposal is here:

https://thecircle.ngo/wp-content/uploads/2021/04/The_Circle_Fashion_Focus_Living_Wage_Report_2021.pdf

Source: <https://thecircle.ngo/calling-time-poverty-pay-garment-workers-across-world/>

Mr. Price Gets OK to Buy Power Fashion

The South African budget retailer received all the necessary permissions to purchase the retailer Power Fashion for over \$105 million. The company said it plans to complete the acquisition this month. Power Fashion has 170 stores in South Africa, Lesotho and Eswatini.

Source: <https://www.businessoffashion.com/news/global-markets/south-africas-mr-price-gets-go-ahead-to-acquire-power-fashion>

Dutch Apparel Assn. President Sees Garment Production Returning to EU

Han Bekke, President of the International Apparel Federation, Chairman of the Federation of Creative Industries and Chairman of Modint, the Dutch Apparel Association of Clothing, Fashion Accessories, Interior Textiles and Carpet was interviewed by Dutch TV on April 25. Bekke said that due to recent changes in consumer behavior driven by the C-19 Pandemic, consumers want very rapid delivery of product ordered online. "This means speed to market, which is easier



when producing nearby.” The risk to faraway supply chains during a pandemic can totally upend commercial orders as seen by closed manufacturing plants overseas. And, consumers and governments are placing increasing pressure upon manufacturers to be transparent in their business dealings, become fully sustainable and circular. Numerous governments are beginning to legislate the need for sustainable products and raw materials. Instability in governments is clearly shown by the coup in Myanmar which virtually stopped production in the country. Then the debacle with the blocked ship in the Suez Canal created significant late delivery and additional risk for companies which are naturally averse to risk to begin with.

With all this, Bekke is seeing a slow move of clothing production returning to Europe and the Netherlands where the average wage for a manufacturing worker in the Netherlands is \$10.45 - \$12.26 per hour.

Source: Interview with Han Bekke, April 26, 2021

South Africa Trade Union and Employer Groups Agree on Vaccine Response

The Southern African Clothing and Textile Workers' Union (SACTWU) reached agreement with all five of the country's clothing industry employer associations to encourage all clothing workers to take the Covid-19 vaccine. The agreement came into place due, in part, to the slow movement of the government to roll out its vaccine program. In addition, the union will work with stakeholder groups in each area where a plant exists to encourage the general population go to that plant to receive their vaccination as well.

Source: <https://www.sabcnews.com/sabcnews/sactwu-embarks-on-drive-to-get-workers-vaccinated/>



Asia

Xinjiang Region of China Continues to Plague Western Buyers

Apparel companies not only have to worry about importing product from China which may contain cotton from the Xinjiang region but if they are considering adding an array of solar panels to reduce their carbon footprint, four factories in the province are producing polysilicon which are used in the manufacture of solar panels. As western observers and social compliance auditors are forbidden to enter factories in the region, no one is certain of the working and environmental conditions in the plants which are all powered with energy produced by burning coal.

Source: https://www.bloomberg.com/graphics/2021-xinjiang-solar/?utm_medium=email&utm_source=newsletter&utm_term=210417&utm_campaign=bop

US Imports from Xinjiang Double in First Quarter 2021

According to data from the China custom's agency, exports from the Xinjiang region to the United States more than doubled in the first quarter of 2021 in spite of the withhold release order issued by United States Customs. The amount exported to the US from Xinjiang was only \$64.4 million compared to \$119.2 billion exported from all China for the same period.

Source: <https://www.scmp.com/economy/china-economy/article/3130567/china-trade-xinjiang-exports-us-doubled-first-quarter-even>

Hong Kong Research Institute Developing Sustainability Solutions for Apparel

The Hong Kong Research Institute for Textiles and Apparel is working on over 200 research projects with 40-50 currently ready to commercialize. The projects run from increasing the rate and quantity of growth for long staple cotton plants to the sequestration of CO2 within an actual garment and many more. Their most exciting project is the Green Machine textile-to-textile recycling technology which separates cotton from polyester allowing both to be recycled.



Source: https://www.just-style.com/interview/being-less-bad-is-no-longer-good-enough-for-hkrita-ceo_id141079.aspx?utm_source=daily-html&utm_medium=email&utm_campaign=13-04-2021&utm_term=155141&utm_content=639425

Hundreds of Bangladesh Subcontractors Closed Due to Pandemic

Since March 2020, 630 subcontractors in Bangladesh have closed due to the stoppage of orders from western customers. Many are members of BTMA, BKMEA and BGMEA. Some of the factories are hopeful of reopening but many of the smaller ones have already fully closed and will likely not reopen.

Source: <https://www.textiletoday.com.bd/many-subcontracting-units-facing-closure/>

Vietnam Sees Modest Q1 Export Growth

Export growth for the textile and apparel sector in Vietnam grew a modest 1.1% for the first quarter but climbed to an impressive 15.3% in March alone to \$7.2 billion for the quarter. Its biggest export markets are Europe, China, the US, Japan and South Korea.

Source: http://www.xinhuanet.com/english/asiapacific/2021-04/09/c_139868762.htm

Factories and Markets Close in Cambodia Over Covid-19 Concerns

Even though Cambodia has one of the lowest infection and death rates in the world caused by the Covid-19 pandemic, the recent surge in cases allowed the government to order that all markets be closed in Phnom Penh until May 7 leaving many families in a lurch seeing their monies disappear as factories have been closed for weeks, and unable to shop for basic necessities. The government is beginning to provide families with basic rations of rice, canned fish and other essentials in response to cries for help.

Source: <https://www.reuters.com/world/asia-pacific/cambodia-closes-markets-curb-covid-19-thousands-plead-food-2021-04-24/>

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