

INDOTEXTILES

The Indonesian Textiles, Apparel & Fashion Community Reference



Logistic Cost Need Gov't Attention

In the market conditions that have not yet recovered, both domestic and export, the performance of the national textile industry this time is hampered by the high freight cost which has increased almost 4 times plus the difficulty of getting containers, especially for traditional markets which are the main export destinations.

Here, again, government intervention is needed so that the performance of textile exports can be maintained accompanied by mastery of the domestic market. Both are an inseparable part in efforts to restore the national textile industry.

This month we launched INDOTEXTILES TV which can be accessed through our Channel on Youtube, Instagram and Tiktok. Hopefully this will make it easier for readers to access the information we present more easily and quickly. Thank you for your support so far.

Best Regards,
Editorial Team

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SPECIAL ISSUE

Textile Entrepreneurs Call Perppu Ciptaker a Burden on the Labor-Intensive Sector



The Indonesian Textile Association or API objected to the wage article listed in the Government Regulation in Lieu of Law or Perppu Number 2 of 2022 concerning Job Creation. The regulations issued by the government on December 30, 2022 are considered burdensome for entrepreneurs. BPP API Deputy Head of Employment and HR Development, Nurdin Setiawan, said the Perppu does not provide legal clarity on employment, especially wages. This is especially true in article 88 F which states that the government can determine a calculation formula that is different from the previously stipulated minimum wage setting.

"Under certain circumstances the Government may stipulate a formula for calculating a minimum wage that is different from the formula for calculating the minimum wage as referred to in Article 88D paragraph," writes article 88 F in Perppu Ciptaker, quoted on Wednesday (4/1).

According to Nurdin, the uncertainty over the minimum wage regulation does not reflect protection for the labor-intensive sector. Whereas labor costs in the labor-intensive sector are the largest after raw materials.

"So we don't even get legal protection from the government. In fact, it becomes an even bigger burden," he said during a press conference in Jakarta, Tuesday (3/1).

He said the minimum wage also had an impact on the costs that had to be paid for BPJS. The reason is, companies must pay BPJS 10.24% of the minimum wage difference. In addition, the minimum wage regulation will also have an impact on the THR issued by the company.

The burden on the textile industry is getting heavier. He said the Perppu Ciptaker added more burdens to entrepreneurs. In fact, the textile industry is experiencing a very significant decline in orders.

He said the textile industry was experiencing a heavy burden where there was a decline in demand of 30-50% in 2022. This has continued into this year. "So the average order for our members is only 65%. This means that 35% of operational utilities are empty, while we have to pay for labor," Nurdin said at the Apindo Press Conference Regarding Responses to Perppu No.2/2022, Jakarta, Tuesday (3/ 1).

Therefore, in this condition Nurdin hopes that the government will provide a special protection for export-oriented labor-intensive companies. Because directly and indirectly, labor-intensive companies have absorbed a lot of workers, so they can reduce the number of unemployed in Indonesia.

"Now let alone we can glance at new graduates, the employees who are now working together starting in January 2022, we have terminated more than 60 thousand employees. So from us the API is like that," he said.

Member of the Apindo Regulatory and Institutional Relations Committee, Susanto Haryono, is concerned that the new minimum wage formula in the Job Creation Perppu will increase the number of layoffs (PHK).

"Don't get excited about only being paid a minimum wage to boost purchasing power and so on," said Susanto.

Susanto explained, from data from the Investment Coordinating Board (BKPM), the absorption capacity of workers has fallen in the last seven years. So he thinks the policy of increasing the Minimum Wage based on the Perppu formula will increasingly burden the business world.



LATEST NEWS

Pasar Senen Is Still Busy With Buyers On The Last Day Of 2022



Pasar Senen, Central Jakarta, on Saturday which is the last day of 2022 is still full of

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buyers, especially at kiosks or shops selling staples and used clothing. One used clothing seller named Hendi admitted that on the last day of 2022, buyers are still increasing along with the Christmas 2022 and New Year 2023 holiday periods. This, said Hendi, increased sales turnover three to four times from normal days in the range of Rp. 1 million to Rp. 2 million per day. "Thank God it's busier than normal days. Turnover can be three to four times, even though it's not as busy as during Eid, but this is not bad," said Hendi at the location.

One of the visitors to the thrifting center at Pasar Senen, Wili, admitted that he and two of his friends "hunted" used clothes there because it coincided with a holiday.

Moreover, the price offered is also relatively low for goods from well-known brands, which is around IDR 20,000 to IDR 100,000 for one shirt and pants, IDR 50,000 to IDR 300,000.

"Incidentally, it's a holiday and we're deliberately looking for clothes here because it's complete and there are lots of brands we like. Not bad for style in the new year," said Wili.

Senen Market Area 01 Manager Yohanes Daramonsidi also stated that the level of consumer visits during the Christmas 2022 and New Year 2023 periods was quite busy than usual. Public interest in shopping has increased.

"What is in great demand, of course, is pork, meat, groceries, second-hand clothing and vegetables," he said.

Based on the 2022 business location report, Pasar Senen Area 01, there are a total of 3,246 traders in this location. A total of 2,252 traders are in Block III Area 01 and 994 traders in Block VI Area 01.

Several types of businesses in Block III Area 01 include 52 production services kiosks, consumption service shops (271 kiosks), grocery stores (1,486 kiosks) and textiles (618 kiosks). Material Prices (HB)/Food I (vegetables, meat) and other foods that are wet in nature) 349 kiosks, HB/Food II (dry groceries) 385 kiosks and 159 stalls/restaurants.

The types of businesses in Block VI Area 01 include one kiosk production services, consumption services (10 kiosks), textiles (419 kiosks), grocery stores (392 kiosks), HB/Food I (127 kiosks), HB/Food II (283 kiosks) and stalls/restaurants (64 kiosks).

"Traders' turnover will also increase, but I can't say for sure the range of figures," he said.

As an effort to deal with the possibility of a surge in buyers coming to Pasar Senen at the end of the year as now, his party is making various preparations.

These preparations are ensuring the cleanliness of the market, parking arrangements to anticipate a surge in visitors and strengthening security so that consumers are safe while shopping. His party mobilized all personnel strength, namely 30 security officers and 30 cleaning personnel.



"Monitor the health of your employees before work"

The Minister of Trade Promises to Improve the Textile Industry to Make MSMEs More Competitive

The Minister of Trade (Mendag) Zulkifli Hasan said, the role of micro, small and medium enterprises (MSMEs) is considered important for Indonesia's economic growth, especially for local MSMEs in the clothing sector. Therefore, Zulkifli Hasan, nicknamed Zulhas, promised to improve the textile industry sector in order to create more competitive MSMEs. "MSMEs in Indonesia have an important role for Indonesia's growth, especially MSMEs in the clothing sector. We will try to improve the textile industry sector so that local MSMEs can be more competitive," said Zulhas, Jakarta, Tuesday (31/1/2023).

MSMEs in Indonesia in the field of clothing according to Zulhas, are highly favored by most Indonesian people, especially millennials.

The more public interest in these MSMEs, the demand for raw materials for clothing such as textiles will certainly increase. In addition, he mentioned that the selection of high-quality raw materials could make the clothing industry in Indonesia able to compete with foreign products.

Therefore, high-quality textile raw materials are very important to support the progress of the clothing industry in Indonesia and local SMEs.

"Textile raw materials are very important for MSMEs, and if MSMEs get high-quality textile raw materials, Indonesia's competitiveness in the clothing industry will not be far behind. Or even, the quality of our clothing can compete in the international market," said Zulhas.

Zulhas hopes that the business continuity of MSMEs will remain stable, so that people's interest in fashion will not stop. The government will continue to strive to supply

textile raw materials so that MSMEs and the clothing industry can live longer.

Changes in Fashion Trends, H&M Goes Out of Business in England

The fashion brand from Stockholm, Sweden, reportedly H&M decided to close all of their stores in England. Changes in fashion trends and customer behavior have forced the brand, which has been around for almost 66 years, to reorganize its business plan. A spokesperson for H&M UK & Ireland said amidst the unpredictable changes in behavior over the last few years, it was necessary to evaluate performance. This is because during September-November, H&M's turnover in the country was very thin due to soaring production and distribution costs.

"[In the situation] this means that sometimes we need to close shop," said a spokesperson who declined to be named, Sunday (29/1/2023).

H&M Chief Executive Officer (CEO) Helena Helmersson said that instead of passing on the full cost to customers, it chose to strengthen its market position first. In anticipation of losses due to soaring production and distribution costs, the fashion brand will continue to raise prices in several categories at various rates.

"This [way] is a very dynamic pricing strategy," he explains.

Of course the first quarter of this year will be very challenging. Even though the prices of some products were increased, Helmersson realized that this did not cover all the losses he received.

In line with this, several strategies have also been implemented, especially in dealing with the threat of recession and geopolitical conflicts such as between Russia and Ukraine. H&M management, he said, quickly decided to stop sales in the affected countries and then stop business in Russia and Belarus, in anticipation of even greater losses.

"Our decision to stop doing business in Russia, which is an important and profitable market, has had a significant negative impact on our results," he said.

On the other hand, ESMOD Jakarta Fashion Business Program Coordinator, Nathalia Gunarian, said some time ago that sustainable fashion is currently a trend in society.

Supported by the Brandwatch reset on December 22, 2022, throughout the past year, nearly 53 million people found searching for the words sustainability and fashion on the internet. Therefore, sustainable and ethical fashion, the trend will increase in 2023.

This research also shows that society is now more inclined towards slow fashion which is still under the umbrella of sustainable fashion. Slow fashion represents a conscious approach where consumers can buy fewer higher-quality items that also meet certain ethical standards, such as organically grown textiles, no animal testing, ethical manufacturing and fair working conditions.

Many consumers discuss how thrift and sustainability in fashion are hot topics today.

However, not a few argue that the price of sustainable fashion products is much more expensive.

Nathalia said that sustainable fashion is usually made from used materials, or Upcycle, which doesn't just make clothes from used fabrics, but also makes them more efficient with unique designs. There is also zero waste, a concept that ensures that no material is left behind when making clothes.

"At least one of these methods is used, we have more or less echoed sustainable fashion. So in business or design, they are taught how they are responsible for what they make," he said.



Entrepreneurs Outspoken Cause of Layoffs in RI's Labor-Intensive Industries

Termination of employment (PHK) in labor-intensive industries has been getting worse lately. This condition cannot be separated from the decline in export demand, which has fallen for export-oriented RI products. Entrepreneurs also warned that the domestic market could be secured. "We believe that when there is a product war at home from abroad, it must be anticipated, so that national consumption is empowered by government stimulus. So all domestic products don't have to be export-oriented, purchasing power must be boosted first," Deputy Chairperson of Kadin Indonesia's Employment Sector Adi Mahfudz, Monday (23/1/2023).

Because of this, the condition of the national economy and its purchasing power must be boosted first, both from the middle class, including most of the lower middle class. In addition, business actors also need incentives for business continuity.



"For example, the ease of the post-Covid-19 stimulus. There is a concern that you will not be able to pay either in working capital loans. Then the incentives for PPh and VAT taxes are made easier, it is very unlikely that the government will warn against layoffs if the stimulus is not fully encouraged," said Adi.

Layoffs often occur in labor-intensive industries. The Indonesian Textile Association (API) noted that 97 textile and textile product (TPT) factories carried out layoffs (PHK) of around 30,000 workers. This figure is based on reports submitted to the API as of November 21, 2022.

"Based on the results of reports from members who entered, API alone, there were a total of 30,166 employees affected by layoffs," said BPP API Head of Employment and HR Development Nurdin Setiawan.

If there is no significant policy improvement, the number of layoff cases could become a time bomb, getting bigger day by day. The estimated number will reach half a million people in early 2023.

"(Currently) Not yet 500 thousand, this is potential in Q1 if there are no significant

steps," said General Chairperson of the Association of Indonesian Settlement and Filament Yarn Producers (APSyFI) Redma Gita Wirawasta.



Not Just One Day, PBRX ARB 4 Days in a Row!

The shares of the issuer of the garment and textile producer, namely PT Pan Brothers Tbk (PBRX), were observed to have sunk and almost touched the lower auto reject (ARB) in trading session I Wednesday (25/1/2023), in the midst of the PBRX rights issue period. As of 10:13 WIB, PBRX shares had fallen 4.92% to Rp 58/share. PBRX shares almost touched their ARB limit this morning. PBRX shares have been traded 6,276 times with a volume of 624.94 million shares and the transaction value has reached IDR 36.08 billion. From the price to earnings ratio (PER), PBRX shares are currently at 1.51 times. The market capitalization reaches IDR 376 billion.



As of 10:13 WIB, there were 192,887 lots queued to sell at the order offer at a price of

IDR 58/share. Meanwhile, in bid or buy orders, there are 1.38 million lots queuing at a price of IDR 57/share. But in that position, it becomes the lower limit which indicates that PBRX shares are almost touching ARB.

If you count today, then PBRX shares have sunk and touched ARB for 4 consecutive days. Meanwhile, PBRX shares have started to touch ARB since last January 19, so the share price has fallen by 15.94%.

Currently, PBRX's rights issue or Pre-emptive Rights (HMETD) period is still ongoing, where the PBRX rights issue trading period takes place on January 19-26 and the final redemption date for PBRX's rights issue will be held on Thursday tomorrow.

Meanwhile, the payment period for additional shares will be held on January 30, 2023 and the allotment period will be carried out on January 31, 2023. The distribution period for additional shares will be on February 1, 2023 and the payment and taking of the remaining shares by standby buyers will be on February 1, 2023.

Previously, in PBRX's brief prospectus, the funds obtained from PMHMETD IV after deducting all related costs would be used for working capital to support Pan Brothers' business development in the form of increasing sales.

This working capital includes raw material costs of around 80% of the funds obtained by PBRX in the form of purchasing high quality fabrics that meet the buyer's specifications.

PBRX will also use 15% of the rights issue funds for production and maintenance costs including labor wages, energy costs, including maintenance of production facilities. While the remaining 5% is used for operational and marketing costs.

Of course, this corporate action has received an effective statement from the Financial Services Authority (OJK) on 5 January 2023 and has also been approved at the Extraordinary General Meeting of Shareholders (EGMS) on 15 September 2022.



Thrifting: Between Trends and Reducing Garbage Waste

The trend of buying used clothes or thrifting is now growing rapidly in Indonesia. Used clothing stalls online and offline are now better known as thrift shops. The term thrift shopping comes from English, where thrift means savings. Meanwhile, shopping is the activity of buying goods. So thrifting is defined as a shopping activity with the smallest possible cost. The trend of shopping for used clothes or what is commonly called thrifting, is currently mushrooming in Indonesia, one of which is in Purwokerto City, Banyumas. This can be seen from the enthusiasm of the public to attend the Banyumas Thrift Market thrifting event which will be held on 21-25 December 2022 at Moro Mall Purwokerto.

"In the past, the thrifting segment was probably only among young people. Now you can see that there are men and women who are interested. It has even penetrated the upper middle class, which means that the

demand is wider," said Farel, owner of a thrift shop.

Banyumas Thrift Market is an event created by the thrifting community in Purwokerto City. A total of 84 tenants also enlivened the event. Goods sold are very diverse, ranging from T-shirts, jackets, shoes, hats, pants, and others.

Reported via Instagram @banyumasthriftmarket, in the future thrift events will be held once every three months in various places in Banyumas Regency. Until now, this event has been running for 5 times and the last one is the 1 year celebration of Banyumas Thrift Market.

The event, which was held for five days, was also enlivened by various live music performances and giveaways every day.

"Initially, because I wanted to have branded goods but had no money, I ended up looking for used goods that were much cheaper but still of good quality," said Indra, one of the thrift enthusiasts.

One of the problems with the thrifting trend is the increase in textile waste. Because the majority of goods sold are imported goods, clothes that should be waste in other countries actually have economic value in Indonesia.

Actually, the threat of clothing waste can be minimized if people are not too consumptive in shopping. This means they can find clothes that suit their needs and can be used for a long time. The lack of public education about thrifting makes consumers more consumptive when they see used goods that look like they are still usable and at a low price.

The concept of selling used goods which has a focus on reducing textile waste, can also be

done by changing products that have been used so that they can be reused or "reworked".

With the rework concept, the clothes we have can be modified according to our taste. Rework can be done by cutting, decorating, or even combining several pieces of clothing into a new model of clothing.

For this reason, the community needs to be directed and re-explore what thrifting trends are and the positive impacts that can be taken. Instead, use used items according to their function and the needs of each person.

When thrifting is done the right way, this trend will last for a long time. However, if it is only used as an arena for the excitement of young people to appear fashionable, this trend will disappear in just a few moments.

The Minister of Trade led the Indonesian trade mission delegation to Saudi Arabia

The Minister of Trade (Mendag) Zulkifli Hasan departed for Saudi Arabia to lead a delegation of Indonesian trade missions to increase trade between the two countries. The trade mission to Saudi Arabia is scheduled to take place on 21-23 January 2023. One of the agendas is to open modern retail to market the products of Indonesian small and medium enterprises (SMEs). "In this trade mission, we are reviewing opportunities to open modern Indonesian retailers in Medina, Mecca and Jeddah by Indonesian business people. With the presence of modern outlets in Saudi Arabia, it will be easier for SMEs to market their products. Of course this will also boost national export performance," Zulkifli said in a written statement in Jakarta, Saturday.

According to Zulkifli, visits by Indonesian citizens (WNI) to Saudi Arabia have continued to increase. At present, there are around two million Indonesian citizens visiting Saudi Arabia and it is estimated that in the next few years it will increase to five million people.



"This is a very large market that must be utilized optimally. Therefore, we are continuously working to improve trade relations," he said.

The trade mission to Saudi Arabia is one part of the program to develop new markets, especially non-traditional export markets. This is a follow-up to the mission to come to non-traditional markets previously carried out in the United Arab Emirates and India.

"After Saudi Arabia, there will also be trade missions to Eastern Europe, South Asia, Central Asia, and Latin America. If we want to become a developed country by 2045, we must dominate parts of the world. If we don't enter now, of course we will be too late," said Zulkifli .

In addition to efforts to explore the opening of modern retail outlets, Zulkifli is scheduled to have a bilateral meeting with the Minister of Commerce of the Kingdom of Saudi Arabia Majid Bin Abdullah Al Qasabi, a meeting with the Saudi Arabian Chamber of Commerce and Industry (Kadin), a meeting with the Saudi Arabian Food and Drug Authority

(SFDA). , as well as a meeting with the Cooperation Council for the Arab States of the Gulf (GCC).

Zulkifli is also scheduled to open the Indonesia-Saudi Arabia business forum and explore trade agreements (business matching) attended by Indonesian and Saudi Arabian businessmen, as well as witness the signing of a cooperation agreement between Indonesian and Saudi Arabian businessmen in Riyadh.

A total of 24 business actors participated in the trade mission to Saudi Arabia. These business actors consist of the food and beverage product sector, body and skin care, charcoal, resin, and various other products.

Apart from business actors, the trade mission was also attended by business actor associations including the Indonesian Chamber of Commerce and Industry, Indonesian Creative Entrepreneurs Aspirations (APKI), and the Indonesian Entrepreneur Chamber (Keind).

In the January-November 2022 period, Indonesia's trade with Saudi Arabia was recorded at US\$7 billion, up 45.42 percent from the same period the previous year which was recorded at

4.82 billion US dollars.

During this period, Indonesia's exports to Saudi Arabia were recorded at US\$1.84 billion, with oil and gas exports amounting to US\$200 thousand and the remainder being non-oil and gas exports.

Meanwhile, Indonesia's imports from Saudi Arabia were recorded at 5.17 billion US dollars, consisting of oil and gas imports of 4.33 billion US dollars and non-oil and gas imports of 842.30 million US dollars. Saudi

Arabia is the 24th ranked export destination country for Indonesia.

Indonesia's main export products to Saudi Arabia include motor vehicles, palm oil and its derivatives, jewelry, paper products, and textile products. Meanwhile, Indonesia's main imports from Saudi Arabia include crude oil, gas fuel, petroleum, iron, and acyclic alcohol.



There is News that Chinese Textiles Cs Want to Invade RI

Textile and textile product (TPT) entrepreneurs in the country are made uneasy by the condition of the world economy. For example, the decline in purchasing power in several countries. It is feared that this will have an impact on Indonesia. TPT entrepreneurs abroad will certainly target new markets so that their products can be sold. One of the potential markets being targeted is Indonesia.

"In Bangladesh and China, demand has also dropped significantly, so we have to look after the domestic market. In March-April (there is) this Eid moment, we must ensure that this market is for the domestic industry," said Chairman of the Indonesian Textile Association (API) Jemmy Kartiwa Sastraatmaja, Friday (20/1/23).

TPT exporting countries from various countries began to target Indonesia. Indonesia is seen as a big market with better purchasing power.

"Indonesia is not the only TPT exporting country. Bangladesh, India, China are far above Indonesia. Indonesia's exports account for 30%, 70% of TPT relies on domestic. Plus the TPT exporting countries are looking for new markets, don't let them enter Indonesia, which has more purchasing power. better than other countries," he said.

Usually every year, the moments of Ramadhan and Idul Fitri are the times when the purchasing power of Indonesians increases due to the Holiday Allowance. Looking for new clothes becomes a habit every year. Do not let, the clothes they buy are mostly imported products.

"We hope this market will be secured for the domestic market. Recession recovery may only occur in the middle of 2024, this period will be a difficult moment for the national industry," he said.

The Furniture-Textile Industry Becomes a Potential Economic Sector for Central Java in 2023

Governor of Central Java (Central Java) Ganjar Pranowo mentioned many potential economic sectors in 2023 in Central Java which are expected to contribute to the regional economy. One of them is the furniture industry. "There are so many (potential economic sectors). If we talk about wood products, our solid wood is the best one, including furniture," said Ganjar, Wednesday (18/1/2023).

He explained that of the total area of Central Java's forests which reached 1.387 million hectares, 740 thousand hectares of which were forests belonging to the people. The largest commodities produced annually are teak wood with 175,000 cubic meters, followed by mahogany, sonokeling and rosewood with 80 cubic meters, and pine resin with 40,000 tons.

Apart from that, said Ganjar, the textile industry also continues to show improvement as many textile companies are investing in Central Java. According to him, these factors have encouraged Central Java MSMEs to continue to go up and up every year, making Central Java MSMEs one of the best in Indonesia.

"If we talk about footwear, our textile products today are also good," said Ganjar.

"This is the potential which we will then continue to move. So today we must develop the creative economy," added Ganjar.

For information, until 2022, the number of MSMEs in Central Java is 17,821 with a total turnover of IDR 68.484 trillion. MSMEs in Central Java have also succeeded in absorbing a workforce of up to 1.3 million workers in all areas of MSME products.





Textile Industry Boost Solo Exports

Export performance continues to show a positive trend during 2022, which is more than US\$ 56,231,019. The textile and textile product (TPT) industry is the largest export-contributing commodity so that it becomes a support for regional economic growth. So far, official export documents are served at the Solo Trade Office (Disdag). Based on data from the Solo Trade Office, the actual export value throughout 2022 was 10,904,427 kilograms or US\$56,231,019. There are more than 10 export commodities ranging from batik, cigars, rattan furniture to TPT.

Head of Export Development and Marketing of Domestic Products, Endang Kurnia Maharani, said that export performance recorded a positive trend in line with the expansion of the national and regional economies.

This positive trend is shown during the fourth quarter of 2022.

"During the Covid-19 pandemic, export performance did drop due to minimal demand from overseas buyers. For 2022 there was also a decline in exports in August-October. Product exports are in a sluggish condition. However, November and December were boosted again so that there was a significant increase," he said, Tuesday (17/12/2023).

This positive trend is shown by one of the textile and textile product (TPT) commodity industries, which has become a support for regional economic growth, absorbing thousands of workers. The export value of TPT commodities throughout 2022 will reach US\$11,741,669.

Last January, the realization of TPT exports touched US\$2,193,301, while in June it reached US\$2,097,230.

"For semester II/2022 there is a decline in the value of exports for TPT commodities. The average is above US\$300,000," he said.

Other commodities such as batik also show positive performance during 2022, reaching US\$8,218,085.

Followed by the export value of plastic which penetrated US \$ 6,369,487.

The positive trend of a number of these commodities is believed to continue in 2023 in line with improving economic growth and the commitment of the main business actors to maintain the business climate in the country.

Meanwhile, the Sub-Coordinator of Trade Facilitation for the Solo Trade Office, Veronica Erna Kusumaningsih, said that the government is trying to facilitate and encourage business actors to penetrate the global market chain.

So far, the Solo Trade Office has collaborated with the central government and associations of business and industry actors to conduct training to improve the quality of human resources (HR) and products.

"Export training is carried out with the Ministry of Trade (Kemendag) so that prospective exporters can enter the global market," he said.

Pan Brothers (PBRX) Shares Soared 22.58 Percent Ahead of the Rights Issue

Shares of PT Pan Brothers Tbk. (PBRX) soared to 22.58 percent at the close of trading today, Monday (16/01/2023). The strengthening of textile issuers occurs in line with the company's plan to increase capital with preemptive rights (PMHMETD) IV or rights issue. PBRX shares were observed to have risen 22.58 percent or 14 points to a position of IDR 76. PBRX shares are traded in the range of Rp. 60 to Rp. 83. As many as 414 million volumes of shares were traded with a trade value of IDR 31.67 billion. Meanwhile, today's PBRX market capitalization rose to IDR 492.35 billion.

This increase was in line with the strengthening of the Composite Stock Price Index (IHSG), which closed in the green zone to a level of 6,688.05. JCI closed up 0.70 percent or 46.22 points to a level of 6,688. Throughout the session, the JCI moved in the range of 6,627.69 to 6,688.05.

Even though PBRX shares rose sharply in today's trading, it was recorded that in the last week these shares had corrected by 24.0 percent. As for year to date (Ytd), this share has sunk by 29.6 percent. The surge in PBRK shares occurred ahead of the company's intention to carry out a corporate action to increase capital with preemptive rights (PMHMETD) IV or a rights issue.

PBRX's management said that it would conduct a rights issue of up to 15 billion ordinary shares with a nominal value of IDR 25 per share, or 69.84 percent of PBRX's issued and fully paid capital, with an exercise price of IDR 50 per share. With the number of shares and the exercise price, the maximum

amount of funds that PBRX will receive is IDR 750.18 billion.

"PT Trisetijo Manunggal Utama is providing a maximum of IDR 750 billion as the main shareholder of PBRX with 27.99 percent ownership," said PBRX Management in an IDX information disclosure, Monday (9/1/2023).

Management continued, Trisetijo Manunggal Utama will carry out all rights issues which are his rights of 4.19 billion shares at an exercise price of IDR 50 per share. With this amount, Trisetijo must spend Rp 209 billion to redeem its rights issue rights.

Trisetijo Manunggal will also buy a portion of the remaining shares that are not subscribed by other rights issue holders, either through the exercise of pre-emptive rights or through an additional share subscription for a maximum of 10.8 billion shares or an equivalent of IDR 540 billion.

Meanwhile, each holder of 250 PBRX shares whose name is registered in the PBRX Register of Shareholders (DPS) at the closing of share trading according to the recording date which falls on January 17, 2023, is entitled to 579 Preemptive Rights.

Shareholders who do not take part in the HMETD which they are entitled to will be subject to a dilution of ownership of 69.84 percent from their ownership percentage prior to the rights issue.

"The funds obtained from the rights issue will be used for working capital to support PBRX's business development in the form of increasing sales, which includes raw material costs, in the form of purchasing high-quality fabrics that meet buyer specifications, production and maintenance costs, as well as operational and marketing costs," said management.

Sluggish US and European Markets, Textile Industry Needs Protection Policy

The government pays more attention to labor-intensive industries. Especially textiles. The industry was hit by layoffs at the end of 2022 and the threat is still real this year. To mitigate this, the Ministry of Industry and the Ministry of Trade seek to provide protection and support. The Ministry of Industry stated that the textile, footwear and furniture industries were under pressure. This is because the industry's traditional export markets, the United States (US) and Europe, are sluggish. "However, there is hope that until the second quarter of this year, (then) it can rebound," said Minister of Industry Agus Gumiwang Kartasasmita last weekend.

The Minister of Industry stated that his party had proposed around seven policies to the Coordinating Ministry for the Economy at the Limited Coordination Meeting (Rakortas). The proposal, among other things, is that the government will impose a prohibition and restriction policy (lartas). That way, there will be goods that are prohibited or restricted for import to Indonesia.

"The government will not make decisions on all products, but will determine them selectively," he explained.

In addition, the Ministry of Industry proposed a post-border policy to become a border. "Of course not all of them either, but selectively based on the HS code," he said.

Meanwhile, the Ministry of Trade (Kemendag) said it would update the trade remedies policy to prevent and recover losses for domestic industry players.

Particularly in the textile and textile products (TPT) sector.

Trade Remedies are instruments used to protect domestic industries from losses due to unfair trade practices. This form can be in the form of antidumping import duties (BMAD) or safeguards import duties (BMTTP).

"We continue to conduct workshops and exchange information on trade policies to prevent losses for the domestic textile industry," said the Head of the Trade Policy Agency (BKP) of the Ministry of Trade, Kasan.

Kasan stated that the Ministry of Trade had formed a National Interest Consideration Team (PKN) and had conducted a survey of three TPT business actors in Central Java. Namely, PT Sri Rejeki Isman, PT Dan Liris, and PT Prima Sejati Sejahtera.

Shifting from the Textile Industry, Successful Bandung Entrepreneurs Build Duraking Sport & Outdoor

Billy Linjaya Lesmana is an entrepreneur from Bandung who has raised the Duraking Sports and Outdoor brand. For him, there are many lessons that can be taken from the twists and turns of his business so far. Starting from an individual company owned by his father, which at that time was engaged in the textile fabric and kite yarn industry, Billy decided to get involved in 2006. The first step taken was to change the individual company to PT Pancajaya Sejati. According to Billy, an entrepreneur must have good agile thinking skills because many things must change according to circumstances.

As happened at PT Pancajaya Sejati, it started as a textile fabric and kite yarn industry, then turned into a garment and fishing tackle industry. One of the triggers was the decline of the textile industry in 2009.

“At that time, the textile fabric business was experiencing a sunset, so we finally sold all of our textile machines. Apart from that, the price of the machine is also good, so the decision to exit in 2009 is a good decision in my opinion.”

Then in 2011, Billy decided to develop the fishing equipment industry, armed with his previous experience in the kite string industry. It was then, Duraking was born. After getting into the fishing equipment industry, Billy then saw a business opportunity.

According to him, at that time there were no local brands that provided high-quality apparel for anglers in Indonesia. This anxiety was the start of Duraking's evolution into the garment industry in 2017.

In addition, his foresight in seeing opportunities made Billy begin to see new potentials, namely the emergence of several sports trends, such as the trend of running and cycling. From this trend, the idea was born to make Duraking a “one full stop brand” for various sports and lifestyle activities.

Until now, Duraking products have been exported to various countries and have achieved a turnover of up to IDR 110 billion per year from sales of Duraking Fishing and Duraking Outdoor Sports.

In 2023, in the garment industry segment, Duraking will release products that can be used in various sports and outdoor activities, such as extreme sports, casual sports and street sports. Meanwhile, from the fishing equipment industry segment, Duraking will release a variety of programs that involve the fishing community in it.

This is in line with Billy's latest strategy to make Duraking a top of mind brand for various outdoor activities and to be closer to the community.

ALDO Welcomes 2023 by Increasing Recycled Brown Paper Production Capacity



PT Alkindo Naratama Tbk ("ALDO"), PT Alkindo Naratama Tbk ("ALDO"), an issuer engaged in the paper and chemicals business started business activities in 2023 by starting the process of commissioning new machines to increase production capacity of recycled brown paper recycle (recycled brown paper). Commissioning is the process of ensuring that all systems and components of the new machine comply with the planned operational requirements. "After being delayed due to the lockdown in China, we hope that the commissioning process for the Company's new machines can be carried out smoothly in early 2023," said ALDO Main Director, H. Sutanto.

After the new machines can operate commercially, ALDO's production capacity of recycled brown paper will increase to 220,000 tons per year from the current production capacity of around 80,000 tons per year.

Efforts to drastically increase production capacity are in line with the Company's optimism that the demand for products

made from recycled brown paper will continue to grow. The demand for products made from recycled brown paper for packaging purposes is expected to soar in 2023, driven by the digital economy which is expected to skyrocket. Meanwhile, the strong relationship between the Company and its corporate customers is also a strength in itself that contributes to this optimism.

In addition, it is believed that increasing public awareness of the importance of environmental sustainability will help increase the demand for products made from recycled brown paper. The trend of increasing public awareness of the importance of environmentally friendly products can be seen in Nielsen's report, Sustainable Shoppers: Buy the Change They Wish to See in the World, which says that 81% of consumers want the company's contribution to improve environmental conditions.

Entrepreneurs Doubt IK-CEPA Can Increase Textile Exports to Korea

Entrepreneurs doubt that Indonesian textile exports to South Korea will increase after the trade agreement between the two countries, namely the Indonesia-Korea Comprehensive Economic Partnership Agreement (IK-CEPA) officially takes effect on January 1, 2023. Secretary General of the Indonesian Filament Fiber and Yarn Association (APSyFI), Redma Gita Wirawasta, said that even though there is an ease of zero percent import duty, it is not certain that the trade agreement can boost textile export performance.

“First, Korea is not a major export destination and consumption is not too much. Korea also has its own style, they store a lot of their garments in Vietnam and Bangladesh. In Indonesia, there are but not many orders

from there," said Redma, Wednesday (4/1/2023).

Redma said that the textile business between Korea and Indonesia is a substitute. Raw materials from Indonesia are sent to Korea to be processed into cloth or clothes. Then these textile products return to Indonesia to meet domestic demand and some are processed again for export.



Instead of increasing exports, Redma is actually worried that there will be a trade balance deficit between Indonesia and Korea with the applicable 0 percent import duty.

Based on data from the Central Statistics Agency (BPS) in 2021, the trade balance between Indonesia and South Korea is a deficit of US\$445 million. According to him, it is possible that imported goods from South Korea will increasingly flood Indonesia.

For this reason, he hopes that tools in import regulation such as safeguards and limited bans or lartas must be effective in order to increase sales of Indonesian products.

"We have a safeguard, we have a background, the hope is that it will be effective in controlling imports. Don't let import permits be issued intermittently, we hope that the tools to regulate imports can be effective," he said.

Thus, Redma revealed that there was no significant impact from the IK-CEPA on textile exports. Especially in the current conditions, where the demand for textile products from

the main export destination countries, America and Europe, is still not improving.

As previously reported, the Ministry of Trade (Ministry of Trade) said that through the IK-CEPA, South Korea provided convenience in terms of import duty rates in the form of eliminating 11,267 tariff items or 95.5 percent of the total tariff headings to 0 percent.

Likewise with 92 percent of Indonesia's tariff posts. Several Indonesian products whose market access will be increasingly open include bicycles, motorcycles, motor vehicle accessories, processed fish products, snake fruit, and textile products such as socks.

Meanwhile, Secretary General of the Indonesian Textile Association (API), Rizal Tanzil Rakhman, said that currently demand for exports from Korea is still maintained and there has not been a decline like that of America and Europe. Rizal still hopes that the implementation of the IK-CEPA trade agreement can produce results in the form of increasing textile exports to Ginseng Country.

"South Korea has good market potential. The existence of IK-CEPA will of course strengthen our market penetration there, hopefully in the textile sector the export performance will be even better," he said, Wednesday (4/1/2022)