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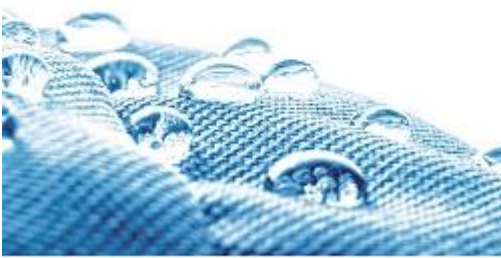
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Logistic Cost Need Gov't Attention

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

Central Java Calls Leave with Eid Al-Adha Makes Textile Entrepreneurs Lose



The government's decision to issue a Joint Decree (SKB) of 3 Ministers regarding the determination of joint leave for Eid al-Adha 1444 Hijriah, last week, is said to have had a negative impact on the textile industry in Central Java (Central Java). This is because the addition of holidays disrupts industrial productivity, causing huge losses in the textile and textile production (TPT) sector. Chairman of the Central Java (Central Java) Indonesian Employers' Association (Apindo), Frans Kongi, hopes that the government can be more careful in providing joint holiday leave. Because if there are too many, it will make the textile industry suffer big losses.

"The government must pay attention to this, because we have too many domestic holidays," said Frans, Thursday (6/7/2023).

Apindo Jateng explained, if the government has set a national holiday by adding too many joint holidays, this will disrupt the production of the textile industry. Not only disrupted, even operational costs are also said to have swelled.

"Because if we include employees on joint/national leave, they have to pay double, there is overtime. This disrupts production, costs are also inflated," he explained.

Interrupted production and inflated costs, continued Apindo Central Java, disrupted competitiveness. Yet according to him, garment or textile products in Central Java have penetrated the global market.

"The effect is there [global market competition]. Fighting with other countries, if they [other countries] work more efficiently, the technology is better, they are one step ahead of us," he admitted.

Apindo Jateng also admits that many have closed their machines or chose not to carry out production rather than taking the risk of increasing production costs. As a result, many textile entrepreneurs in Central Java suffered big losses.

"How much [the loss] cannot be conveyed. But in essence lose a lot. It is not profitable, it cannot be interpreted, but generally it is a loss, it is not profitable for the business world," he said.

For your information, amidst the expansive condition of the national manufacturing sector, the textile industry is still experiencing contractions. It is even included as one of the three manufacturing sub-sectors that experienced a contraction in the June 2023 IKI survey.



LATEST NEWS



After Mass Layoffs, Textile Entrepreneurs Choose This Presidential Candidate

Entrepreneurs in the textile industry sector openly say that the presidential candidate they will support in the 2024 elections is a leader who has a vision for the future economy or sustainable economic development. The textile sector is currently being hit by massive mass layoffs, especially in the garment sector. This was revealed by the Executive Director of the Indonesian Textile Association (API) BPP Danang Girindrawardana, Wednesday (5/7/2023). "Our country needs more sustainable economic development, which means we don't expect the presidential candidate to create or change the current economic platform. We side with the presidential candidate who will be able to give confidence to the business world to continue the economic program brought by Mr President Jokowi is currently not changing it," he said.

Danang said that his party wants a presidential candidate who is able to continue the good economic programs that have been developed at this time. But this is also accompanied by strong law enforcement, because the economic problems that are happening in Indonesia,

according to him, actually do not lie in existing regulations, but in weak law enforcement.

"It is also important that we hope that the presidential candidate will be able to carry out law enforcement actions, because the economic problems in Indonesia are actually not in the existing regulations. he said.

"So we want a future president who is more capable of making strong law enforcement for any industry, not just the textile industry," he added.

The problem now is that law enforcement is less than the production of the law regulations themselves, so many of the regulations that are made are not accompanied by sufficiently strong law enforcement.

"The business world is vulnerable to acts of omission of violations, for example illegal importation, the issue of quotas issued by bureaucrats who do not follow the rules of import quota regulations. Now the problem we are facing is the problem of law enforcement, the regulations are very there are too many, but law enforcement is half-hearted," he said.

Danang hopes that the future presidential candidate must have an economic vision coupled with strong law enforcement. If not, later Indonesia will become an over regulated country or excessive regulations but minimal law enforcement.

However, regarding which presidential candidate the textile industry entrepreneurs will choose, Danang is still reluctant to comment, because according to him it is still too premature for entrepreneurs to reveal the name of the presidential candidate he has chosen for now.

"It's not easy for us to name names, because the time has not yet come, because this is just a declaration from each party, the KPU has not been confirmed by the KPU as an election management body, so actually this is still practical political euphoria but has not yet reached electability. "So it's still very premature if the business world mentions names, I don't think it's now. So we're still waiting for the announcement from the KPU later," he said.

Danang said, within the membership of the API itself there are at least around 700 textile industry entrepreneurs who are members. Where of the 700 numbers include 3.4 million workers.

"So the number is quite large. So usually we can invite these workers to vote for a presidential candidate who has more insight into the economy going forward, because this will affect the fate of our workers," he said.



"Monitor the health of your employees before work"

The Indonesian Textile Industry Faces Various Problems

The Indonesian textile industry and products are now faced with various problems. It is not only the problem of the onslaught of products from China, but is also constrained by the existence of import duty policies in America and China. The Coordinating Minister for the Economy Airlangga Hartarto revealed that Indonesian textiles are subject to import duties of approximately 12 to 15

percent in the European Union and the United States. And these rules do not apply to Bangladesh and Vietnam.

"And this is not imposed on countries like Bangladesh or Vietnam," said Airlangga.



This trade barrier or trade barriers, called Airlangga, needs to be reduced, so that Indonesia's exports can also increase.

Therefore, Indonesia will focus on finalizing the Economic Partnership Agreement with the European Union.

"If this can be signed, it is hoped that the market will be more open. Likewise with the United States, we are currently discussing the Indo Pacific Economic Framework," he explained.

This step is an effort to resolve trade barriers in these countries. He also estimates that Indonesia's textile industry and products will eventually be able to revive.

This is of course the role of the government which continues to pay attention to the textile sector both by paying attention to financing developments and ensuring the availability of raw materials.

Vietnam-Bangladesh US & Europe's Gold Boy, Indonesian Textiles Inflamm

The Coordinating Minister for the Economy Airlangga Hartarto revealed the cause of the collapse of textile and garment factories in the country. Namely, due to policies in the United States (US) and European markets which impose import duties on Indonesian products. Meanwhile, products from other countries, such as Bangladesh or Vietnam, are not subject to import duties. In fact, these two countries are RI's competitors in the textile sector. "Indonesia has an industry, especially textiles and garments, in the American and European markets subject to import duties of between 12% -17%, and this is not imposed on countries such as Bangladesh or Vietnam," said Airlangga, (12/7/2023).



However, Airlangga said, the government sees that if trade barriers can be reduced, then Indonesia's exports can have the capacity to increase in the future.

"Therefore, Indonesia is concentrating on completing a comprehensive economic partnership agreement (CEPA) with the European Union and it is hoped that this can be signed, so the market will be more open," he said.

"Likewise with America, we are currently discussing the Indo Pacific Economic Framework where the other pillar discusses trade facilitation," continued Airlangga.

Of course, continued Airlangga, some of the trade carried out by the government hopes that barriers in these countries can be reduced.

As is known, since the end of 2022, waves of layoffs in the national textile industry have continued to ripple. Plus, factories are laying off workers or cutting hours. It didn't stop there, it was reported that a number of textile factories had to close.

Wave of Layoffs Lurking

Meanwhile, Secretary General of the Ministry of Manpower (Kemnaker) Anwar Sanusi revealed that waves of layoffs (PHK) were still stalking the domestic textile industry.

According to him, until May 2023, there were 18,333 domestic workers affected by layoffs. Meanwhile, there were 20 companies that reported being in trouble.

"From our data that came to the Ministry of Manpower, there were around 18,333 who had been laid off until May 2023. And, according to reports, there are nearly 20 companies experiencing difficulties," said Anwar, Wednesday (12/7/2023).

"The manufacturing sector is quite dominant, there are other sectors. In fact, the threat is labor-intensive industries. There are various

kinds of garments, textiles, and so on," he said.

The Ministry of Manpower, said Anwar, responded to the report by immediately preparing mitigation measures.



To Reduce Textile Waste, France Subsidizes The Repair Of Clothes And Shoes For Its Citizens

France issued a unique scheme to encourage its people to participate in reducing the risk of environmental damage and climate change. The country will introduce a scheme that will subsidize the repair of clothing and shoes to reduce waste and pollution from the textile industry. The scheme announced by the secretary of state for ecology Bérangère Couillard, France offers assistance varying from 6 euros to 25 euros for the repair of clothes and shoes, depending on the complexity of the repair. For example, a simple piece of re-stitching will receive a subsidy of 6 euros, while repairing a pair of shoes will be offered for 25 euros.

"This could encourage people who have purchased, for example, shoes from a brand that makes good quality shoes or good quality ready-to-wear to want to repair them rather than throw them away," Couillard told a news conference.

"And that's the goal, to create a circular economy for shoes and textiles so that products last longer, because in government we believe in the second life of a product," he explained.

Couillard also revealed that the textile industry in France will be responsible for a quarter of global greenhouse gas emissions by 2050, with textiles known as the second most polluting industry in the world.

"What I hope is that France will realize what we can see, namely the impact of the textile industry around the world today," he said. "So that they themselves can realize deviations from the way we consume now," he added.

The French ministry of ecology has also instructed a private organization called Refashion to start the scheme.

Tailors, clothing brands and workshops can join the initiative free of charge through Refashion, which will collect a small green contribution from sales to cover subsidies.

However, the government will not be funding the scheme, which is scheduled to start in October.

For customers, subsidies will be taken directly from their bills. Refashion will then arrange for companies that apply to the scheme to be returned within 15 days.

Textile Issuers (ARGO) Private Placement Through Debt Conversion

Textile issuer PT Argo Pantes Tbk (ARGO) will make an additional Capital Without Pre-emptive Rights (PMTHMETD) or private placement of 2.83 billion shares with a

nominal value of IDR 500 per unit on Friday (7/7/2023). Referring to the complete IDX information on Tuesday (11/7/2023), the number of private placements is equivalent to 89.43% of the total issued and fully paid shares of the Company. Private Placement is carried out through the conversion of debt into shares. The issuance price for ARGO's private placement was IDR 570 so that the textile issuer received additional capital of IDR 1.61 trillion. Meanwhile, the amount of ARGO's debt to affiliated creditors who have agreed to settle the debt is IDR 1.61 trillion as of December 31, 2022.

The debt will be closed into the Company's shares. Among the names of the creditors are PT Ragam Logam, PT Argo Manunggal Land Development, PT Argo Manunggal Triasta, PT Kukuh Manunggal Propertindo, Trevor Global Ltd, PT Lawe Adyaprima Spinning Mills and PT Daya Manunggal.

"These companies have affiliated relationships, namely they have the same controlling shareholder as the company," said the director of ARGO.

The implementation of the Private Placement has approved the shareholders at ARGO's extraordinary general meeting of shareholders (EGMS) which was held on 19 June 2023.

"Implementation of PMTHMETD in order to improve the company's financial position," he added.

As a result of the implementation of this Private Placement, public ownership of shares will be diluted. So ARGO said it would take steps to increase the number of free float shares in the community.

Until now, ARGO shares are at the level of IDR 486 per share. This figure did not move or stagnate from the price of ARGO at the close

of trading yesterday. ARGO has a market capitalization of IDR 163.08 billion.



Many Fashion Manufacturers Launch Environmentally Friendly Products

Sustainable fashion or sustainable fashion has become an important issue in the fashion industry today. A number of world multi-brand companies have also launched products made from environmentally friendly materials, including Urban Icon. Please note, the concept of sustainable fashion itself is fashion practices that use environmentally friendly materials, support fair production, reduce textile waste, and promote slower fashion cycles. By adopting a sustainable fashion, companies can contribute to environmental preservation, maintain the balance of the ecosystem, and ensure the availability of resources for future generations. In addition, sustainable fashion also allows shoppers to express their style and personality through responsible clothing choices.



Therefore, in 2023, Urban Icon presents two world-renowned brands that have implemented sustainable fashion concepts, namely WEAT and JW Pei.

WEAT itself is a well-known bag brand founded by a designer from Germany, Nina Sieber, in 2017. Nina first founded WEAT in Hong Kong, and the brand has created a sensation in the fashion world ever since.

For WEAT, sustainability actually means using long-lasting, high-quality materials. It also includes a timeless design, which is designed to be suitable in all seasons, with the aim of reducing waste in each fashion cycle.

"Various styles and colors were involved to create a fresh design. The materials used are also of the highest quality, with attention to detail that is on point! However, what is certain is the design of the WEAT bag which is very versatile, so it always suits any trend and season ", said Dameria Hutabarat as Product & Planning Manager of PT Sentralwatch Perkasa Internasional.

As for JW PEI, this brand was first founded by married couple Yang Pei and Stephanie Li in 2016 in Los Angeles, United States. This brand is known for its iconic logo in the form of the Chinese character "FEI" which represents the founder's family name.

The character "FEI" used also means "extraordinary" which represents brand identity. Apart from extraordinary designs, JW Pei is also known as a brand that upholds sustainability.

"Each bag is made using the best quality vegan leather material. Polyurethane and materials made from recycled plastic are also proof of JW Pei's commitment as a brand that actively promotes sustainable fashion - so

you can shop in good conscience too. Not only that, the price offered relatively affordable, considering that the collection uses high-quality vegan leather, has a unique and minimalist design that is the most trendy at the moment, and many of the world's top celebrities are seen wearing it," Dameria said again.

Textile Labda Wins MURI Record



PT Labda Anugerah Textile (LAT) again received an award from the Indonesian Record Museum (MURI) for its achievement as the first textile digital printing company for small and medium scale industries to obtain the OEKO-TEX Standard 100 certificate. The record for LAT was recorded as the 11,063th record in MURI records which was submitted by MURI Marketing Director Awan Rahargo to Anugerah Main Director Yusak Samadji Pranoto and Operational Director Anugerah Wijaya NG at the Labdanation Fashion Week 2023 event at Beachwalk Shopping Center, Kuta-Bali, Saturday (15 /7/2023).

Labdanation Fashion Week 2023 carries the theme 'How Sustainable Fabric will Revolutionize the Fashion' which aims to introduce eco-friendly fashion products to the national level while supporting government programs in realizing sustainable industrial development.

"This event also supports government programs in realizing sustainable industrial development," said Wijaya NG in an official statement, Sunday (16/7/2023).

He emphasized that, at the age of three, LAT is committed to the concept, vision and mission of the company which has gradually implemented total sustainability management, which is an approach that includes the management and integration of all sustainable aspects within an organization or system. It includes three main pillars, namely economic, social and environmental.

"By following tests to comply with international product safety standards, LAT is now confirmed by the MURI national record-keeping agency for the second time," said Wijaya NG.

According to him, LAT is trying to become a company with an eco-friendly concept. This company has a planned and measurable vision and mission with the hope of being recognized at the national and international levels as well as being the pride of the Province of Bali

"In accordance with today's theme, 'How Sustainable Fabric Will Revolutionize The Fashion', the concept of sustainability is the ability to meet current needs without compromising the ability of future generations to meet their own needs," said Wijaya NG.

The Revolution, he said, is a change that takes place quickly, precisely and measurably, concerning basic matters.

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Imports of Raw Materials Semester II/2023 Will Boost Election Intentions

Business actors assess that the performance of imports of raw materials for manufacturing will be leveraged along with the high demand during the campaign period related to the 2024 Election. Former Chair of the Trade Sector of the Indonesian Employers' Association (Apindo) Benny Soetrisno estimates that the import value of raw materials will increase in semester II/2023 due to activity campaign ahead of the 2024 general election. The chairman of the Association of Indonesian Export Companies (GPEI) estimates that the increase in the import value of raw materials is likely to be around 10 percent.

"If I count it in aggregate, no more than 10 percent," he said Monday (17/7/2023).

He said the democratic party which started running this year was closely related to various kinds of materials, especially textiles and logistics. That way, the need for raw materials will certainly increase so that it will have an impact on imports of raw materials.

The Central Statistics Agency (BPS) reported that Indonesia's trade balance recorded a surplus of US\$3.45 billion in June 2023.

Cumulatively from January to June 2023, a surplus was recorded at US\$19.93 billion, down 20.24 percent compared to the same period last year. On the other hand, at the same time there was a decrease in the value of imports of raw/auxiliary materials from US\$15.31 billion in May 2023 to US\$12.36 billion.

Meanwhile, on an annual basis, the import value of auxiliary raw materials was recorded to have fallen 23.8 percent in June 2023.

On the other hand, Benny hopes that business actors will be facilitated in obtaining permits to carry out trading activities. The goal is for domestic economic activity to increase again. In addition, the government is expected to be able to add financing products, given that the number of financing models in Indonesia is still very limited.

Head of IKA STTT Polytechnic Calls HR Quality Plays an Important Role in the Advancement of the Textile Industry

The development of the textile industry is still promising, in line with international regulations in the field of industrial sustainability. This provision requires developing countries to receive support from developed countries in implementing sustainable industrial innovation. This was stated by the Chairperson of the Alumni Association (IKA) of the STTT Polytechnic Institute of Textile Technology (ITT), Rikrik Supriyadi in his statement, Thursday (20/7/2023). According to him, the textile

and textile products (TPT) industry is still one of Indonesia's economic strengths.

In addition to providing large incomes, this sector is also able to absorb workers in large numbers.

The Ministry of Industry even stated that the need for human resources (HR) in the textile and textile products (TPT) sector is still high.

This is in line with increased investment in the sector.

Rikrik claims that the progress of the domestic TPT industry cannot be separated from human resources and the active role of STTT Polytechnic graduates who have a focus on the textile industry.

Moreover, he said, currently the majority of stakeholders in the textile industry and decision makers in the industry are occupied by alumni from the STTT Polytechnic campus.

"Our alumni who are credible in their fields and on the government side, ITT-STTT-STTT alumni play an important role in formulating and establishing policies to develop the national textile industry," said Rikrik.

In the near future, he said, his party would also hold the Xth congress of the IKA ITT-STTT-STTT Polytechnic, on 29 July 2023.

Through the replacement of the new management, he said, it is hoped that it can provide a more holistic role for the development of domestic textiles.


"Of course, with the synergy between the STTT Polytechnic academic community, students, alumni, government, and related institutions, we can improve the textile industry sector like its glory in the 80s, where Indonesia became a center for the

development of regional and even world textiles," he said.



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The Minister of Trade Destroys Illegal Imported Products Worth IDR 12 Billion



The Minister of Trade (Mendag) Zulkifli Hasan destroyed illegally imported products worth IDR 12 billion at the Surya Terang Warehousing Complex, Sidoarjo, East Java (East Java) on Monday (24/7/2023). Destruction was carried out on 12 types of products that were found to be in violation during the import process. These products are processed animal products, forestry, ceramics, footwear, electronics, cosmetics, food and beverages, children's toys, certain

textile products, certain other textiles, apparel and its accessories, as well as water measuring instruments.

"These products hit Indonesia's industry and economy. Therefore, we must take swift and decisive steps in the midst of today's tight competition in the world," Trade Minister Zulkifli Hasan said as quoted in a press release received.

In carrying out these activities, the Ministry of Trade (Kemendag) cooperates with a number of parties including the Directorate General (Ditjen) of Customs and Excise, the Ministry of Finance, the High Court, and the Police.

The rules the product violated included not having the required import permits in

Minister of Trade Regulation 20 of 2021 concerning Import Policies and Regulations, as amended by Regulation of Minister of Trade Number 25 of 2022. Regulation of Minister of Trade Number 26 of 2021 concerning Standards for Business Activities and Products in the Implementation of Risk-Based Business Licensing in the Trade Sector.

"These products entered the domestic market without completing the documents," said the Trade Minister.

According to the Minister of Trade Zulkifli Hasan, Indonesian micro, small and medium enterprises (MSMEs) have extraordinary capabilities and are on par with other countries. But if disturbed like this, the industry will be unable to compete with used and illegal products that flood the market. this is of course very detrimental.

"We continue to consistently eradicate and destroy these items. This is shock therapy.

This is a very important task to protect the Indonesian economy. Because if the economy grows, prosperity and welfare increase. But if the economy is disrupted, unemployment will increase," continued the Minister of Trade Zulkifli Hasan.

Trade Minister Zulkifli Hasan appreciated the cooperation of various parties who have been fighting illegal products to protect the Indonesian economy. "We are grateful for the cooperation of all parties. We continue to consistently fight against used and illegal goods in the country. If we fight this, then our economy will grow, MSMEs will develop, we can flood other countries with our products of better quality," he added.

In the January-June 2023 period, BPTN Surabaya has supervised 98 companies and 186 Goods Import Declaration Documents (PIB). Through this supervision, 33 violations were found with details of 13 subject to warning sanctions, 19 subject to warning sanctions and destruction of goods, and 1 subject to customs access blocking sanctions.

The Minister of Industry's Move to Boost the Performance of the National Textile Industry

The Minister of Industry (Menperin) Agus Gumiwang Kartasasmita prepared a number of steps to anticipate a slowdown in the performance of the textile and textile product (TPT) industry due to world economic conditions and the invasion of imported products from China. "The policies adopted in the framework of securing the domestic market which will be taken, are expected to minimize the impact of the global recession on the national economy in the form of reduced demand and protect the domestic market from attacks on goods originating from imports, especially from

China," said the Minister of Industry in a statement in Jakarta , Friday.

The Minister of Industry revealed that the global economic situation, especially in the European region and other export destination countries, had an impact on the performance of the national textile industry, which has the main export destinations to the United States and Europe. The decline in the value of TPT exports in the January-April 2023 period was recorded at US\$3.7 billion, down 28.44 percent compared to the same period the previous year of US\$5.1 billion.

On the other hand, the TPT product market has also experienced a rush of imports from China, which has experienced stockpiling due to reduced demand from the United States and Europe, so it has begun to look for new market countries to accommodate its production, including Indonesia.

"Moreover, Indonesia has a stable economic growth and a large population. This makes us a potential market destination for TPT products from China," he added.

This situation is also considered to threaten the domestic TPT industry, so the government needs to immediately adopt policies to safeguard the domestic market to minimize the impact of declining demand and potential dumping from China.

"We have received reports that the fiber industry has begun to reduce its production. This is due to imports of synthetic fibers and filaments, as well as fabrics which have begun to flood the domestic market," explained the Minister of Industry.

For this reason, the Ministry of Industry will take a number of steps. First, follow up on the proposed incentives for reducing electricity payments for industry. The incentives requested by the industry are in

the form of relaxation in the payment of electricity bills, setting the amount of late payment fines at a fair price, setting one electricity tariff (rates outside peak load times for industries that operate 24 hours), providing electricity tariff relief, and easing the use of solar power plants (PLTS) roof.

The Ministry of Industry has also adopted policies through programs to increase exports, control imports, and increase industrial competitiveness. The program to increase exports is carried out by encouraging free trade agreement (FTA) cooperation with the European Union and the United States. Furthermore, strengthening promotions to find markets and control imports.

To increase industrial competitiveness, the government is developing and training industrial human resources, restructuring industrial machinery and equipment, and subsidizing certain natural gas prices (HGBT), in this case for the upstream textile industry. In the records of the Ministry of Industry, in the first quarter of 2023, the TPT industry's GDP growth rate was 0.07 percent, slowing compared to the previous year of 3.61 percent (yoy).

Encompassed by a number of challenges, waves of layoffs still hit the national textile industry

The fate of the Indonesian textile and textile products (TPT) industry must again face a sad fate. This is considering that a wave of layoffs (PHK) of employees will still occur in the industrial sector during 2023. Chairman of the Indonesian Fiber and Filament Yarn Producers Association (APSyFI) Redma Gita Wirawasta said that the trend of layoffs of employees in the TPT industry has not shown any signs of ending. Most recently, the TPT

producer, PT ACP Purwakarta, had to lay off around 500 employees because it stopped operating as of July 18, 2023.

APSyFI notes, it is estimated that around 50,000 TPT industry employees will experience layoffs in semester I-2023. This number is indeed not as many as the layoffs that occurred in semester II-2022, namely around 100,000 employees. However, this still indicates that the national textile industry is still in a sluggish condition.

The Employment Social Security Administration Agency (BPJS) or BP Jamsostek has also been noted to have paid Job Loss Benefits (JKP) for 26,690 participants with a total value of IDR 159.1 billion during January-June 2023. Meanwhile, in February-December 2022, BP Jamsostek has paid JKP for 10,141 participants with a value of IDR 44.4 billion.

Also Read: Manufacturing Industry Investment IDR 270.3 Trillion in Semester I-2023

Redma said that the local TPT industry, both upstream and downstream, had difficulty getting up because of imports

illegal TPT products are still flooding the market without any significant action from the government. It's no doubt that the wave of layoffs has become difficult to stem when the performance of national TPT producers has declined.

"Many coordination meetings have been held, but this condition has been going on for almost a year. These illegally imported goods still dominate the domestic market," said Redma, Wednesday (26/7).

Meanwhile, Chair of the Indonesian Employers' Association (Apindo) Labor Division Bob Azzam assessed that the

Indonesian TPT industry is usually oriented towards the export market, especially developed countries in Europe and the United States. Unfortunately, until now the demand for TPT exports has fallen because the European region and the US are being hit by the threat of an economic recession.

"The weakening of TPT demand could reach 30%-40%, so the decline is quite deep," he said today.

Apindo also assesses that it is important for business actors to ensure that laid-off employees receive social security protection. It is also hoped that employees who have been affected by layoffs can immediately get new jobs, both in accordance with their previous skills and new skills.

Furthermore, Apindo also usually appeals to business actors to first make efficiency in their various business lines. In this case, laying off employees as much as possible is only the last option taken by the company.

If the layoff policy is forced to be carried out, the business actors concerned must be committed to immediately improving their performance. As a result, when business performance recovers, the company can re-hire employees.

"Layoffs are a phenomenon that has always existed. The most important thing is how to handle the fate of employees after being laid off," he said.

Employment BPJS Records JKP Claims Textile and Shoe Industry Sector Contributes 9.31%

The Employment Social Security Administration Agency (BPJS) or BPJamsostek has paid Job Loss Benefits (JKP) for 26,690 participants, with a total nominal

value of IDR 159.1 billion. This number increased by 250% of the total JKP beneficiaries during the period from February to December 2022. This condition illustrates that layoffs (PHK) are still rife, especially in the textile and shoe industries.

Deputy for Communications at BPJS Ketenagakerjaan Oni Marbun said cash benefit payments in the Job Loss Guarantee program (JKP) up to June 2023 totaled 36,831 participants with a nominal value of IDR 203.5 billion.

Oni explained, when viewed from the Industrial Sector group, the majority exposed to layoffs and JKP benefits included various industries (52.39%), trade and services (17.36%), basic and chemical industries (12.78%), goods industry Consumption (9.31%).

"While the textile and shoe industries are in the Consumer Goods Industry category," said Oni, Wednesday (26/7).

Chairperson of the Indonesian Fiber and Filament Yarn Producers Association (APSyFI) Redma Gita Wirawasta said that the trend of layoffs of employees in the Textile and Textile Products (TPT) industry has not shown any signs of ending.

Most recently, the TPT producer, PT ACP Purwakarta, had to lay off around 500 employees because it stopped operating as of July 18, 2023.

APSyFI notes, it is estimated that around 50,000 TPT industry employees will experience layoffs in semester I-2023.

This number is indeed not as many as the layoffs that occurred in semester II-2022, namely around 100,000 employees. However, this still indicates that the national textile industry is still in a sluggish condition.

Not only the wave of imports, this is a series of causes for the decline of the national textile industry

The unstoppable wave of imported products is said to be the dominant cause of the decline in the national textile and textile products (TPT) industry. In addition, the trade war between the United States (US) and China and the prolonged conflict between Ukraine and Russia also contributed to the performance of the domestic TPS industry. Chairman of the Central Java Indonesian Textile Association (BPP) Provincial Management Board (BPP API), Dewanto Kusuma Wibowo explained various problems faced by the national textile industry before the pandemic until now.

"Before the pandemic emerged, there was a trade war between the United States and China. This may be 2019. So that the utilization of textile products is reduced," he said in the Industry Trends group discussion (FGD) entitled Reading the Economic Direction Through Records of Electricity Consumption at Radya Litera, Saturday (29/7/2023).

In this activity in collaboration with PLN and Solopos, Dewanto gave an example of selling imported used clothes or thrifting which is detrimental to the textile industry, especially micro, small and medium enterprises (MSMEs). Currently, the government has banned imported used clothing from entering the country.

"Used clothing is quite reduced. Maybe it's used up old stock now," he said.

Based on the data, imports of used clothing still dominate. The largest was from China at 47. Meanwhile, the textile export market was in the United States and Europe.

According to Dewanto, at this time, the sale and purchase of textile products is rife without tax.



"Supervision is not strict enough so that used clothes enter Indonesia easily. Through the paths of rats in the waters," he said.

Previously, on the same occasion, Commissioner of PLN, Eko Sulistyono encouraged the government to make breakthroughs while strengthening economic cooperation in global trade routes.

The move was taken to boost the performance of the manufacturing sector as the main contributor to the economy. According to Eko, electricity is a measuring tool or instrument for regional and national economic growth.

"The government must make new breakthroughs to boost the performance of the manufacturing industry. We can carry out economic cooperation in global trade routes," he said.

In addition, the government must also strengthen bilateral economic cooperation which has positive implications for the level of the national economy.

This has become the leverage of the textile industry with most of the market share abroad. Furthermore, Eko said that the

textile industry has a big contribution in the economic niche.

Indeed, the growth of the textile industry was affected by the unfinished Ukrainian-Russian war. However, now logistical restrictions have been relaxed.

“There are also carbon restrictions that came into force in Europe in June. All goods will be tracked if they are not up to standard,” he said.



The screenshot shows the homepage of INDOTEXTILES, "The Indonesia Textiles & Apparel Community Reference". The navigation menu includes HOME, ARTICLE, LATEST NEWS, MARKET PLACE, DOWNLOAD, and LIBRARY. A search bar is located below the menu. The main content area features a featured article titled "The rise of cheap imported products threatens the existence of the local textile industry" by Admin1, published on 14 June 2021. The article text states: "The existence of the local textile and textile products (TPT) industry is increasingly threatened by the proliferation of cheap imported goods flooding the domestic market. This is evidenced by the drop in the average utilization of the textile industry to around 55% from the previous 70% at the end of 2020." A "Read more" link is provided. To the left, there are two promotional banners: "Taiwan Textiles Road Show - INDONESIA" and "Worker Application Against COVID-19". To the right, there is an "EXPERT PERSPECTIVE" section titled "Awakening the Economy of Eid" by Enny Sri Hartati, Senior Researcher at INDEF.