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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

Accelerate Indonesia's EBT Target of 23 Percent 2025, Campuses Intensify Collaboration



In the midst of pessimism about achieving the target of New and Renewable Energy (EBT), various universities began to move. As is known, the Indonesian government seeks to achieve the target of achieving NRE of 23 percent by 2025. In Solo, there has been an initiation of the Cooperation between the Technical Education Institute and the National Private EPC Company, PT Tripower Solar Nusantara, in collaboration with the ATMI Polytechnic of Surakarta. The collaboration was marked by the signing of a memorandum of understanding (MoU) for training and skill development for ATMI Polytechnic students to be prepared as PLTS installation experts throughout Indonesia and the installation of PLTS on the roof of the ATMI Surakarta Polytechnic building which has the potential to reach 1 MW.

The signing of the MoU of cooperation was carried out on Friday, February 25, 2022 by the CEO of PT Tripower Solar Nusantara, Tedi S Wintoko, and the Director of the Surakarta ATMI Polytechnic, Andreas Sugijopranoto, or better known as Father Andre.

Father Andre stated, as the Director of the ATMI Surakarta Polytechnic, he was very

enthusiastic about this collaboration. Apart from being a duty and responsibility to protect the earth and protect the environment, this step in using PLTS directly affects climate change by using renewable energy from solar.

"Hopefully this collaboration can last long term and bring mutual benefits to both parties, apart from lecturers, also students can be directly involved in technology development and PLTS installation experts," said Father Andre in a press release, Saturday (26/2/2022) .

Tedi Wintoko believes that the synergy in Solo is a strategic cooperation model and will be able to answer the challenges and government targets to achieve 23 percent NRE by 2025.

"There are about hundreds of ATMI Solo graduates every year, if only some are equipped with skills as an applicator or installer of PLTS Roofs," he said.

So, continued Tedi, the installation of Rooftop PLTS will be carried out extensively with experts, the quality and ability of ATMI graduates also need not be doubted. "Because it has been proven so far, ATMI Surakarta graduates are spread throughout Indonesia as experts in various classy companies," said Tedi.

Instructors and lecturers at the Polytechnic ATMI Surakarta, continued Tedi, have also started a series of trainings led by the Chief Operating Officer of PT Tripower, Aditya Perdana.

Aditya said the instructors, lecturers, and students in this program were directly involved in the preparation of the Feasibility Study and in the PLTS ATAP installation activities at ATMI Surakarta.

An optimistic response was also conveyed by the Chair of the Mikael College Alumni Family Association and at the same time an ATMI Surakarta Alumni graduate, Yoannes Fredy Sakti. "Collaboration and Gotong Royong are needed in this 4.0 era, and PT Tripower Solar Nusantara makes it happen by collaborating with Vocational Education, namely the ATMI Polytechnic. Hopefully this can be a good start to be able to support each other," said Yoannes.

Yoannes hopes that more industrial collaborations and vocational education will emerge so that Indonesia has superior and competent experts.

The installation of PLTS ATAP at ATMI Surakarta has also been well received by industry players in Solo and Central Java. They hope that after the PLTS ATAP at ATMI is installed, several factories are also interested in following suit.

In fact, PT Tripower has synergized with instructors from ATMI Surakarta to conduct a survey and preparation of FS PLTS ATAP for a textile industry in Solo. PT Tripower Solar Nusantara is also working on several PV mini-grid projects in Semarang, Yogyakarta and Sumatra.

Tedi Wintoko added that in the near future PT Tripower will obtain green fund support from a global cryptocurrency which is the first time in Indonesia.

"So later all parties can become investors for the PLTS PT Tripower project after the Green token is introduced in the near future," said Edi.

LATEST NEWS

Government Restructuring Credit for the Textile Industry



The Textile and Textile Product (TPT) Industry contributes around IDR 180.2 Trillion to the National GDP and its utilization reaches above 70% in 2021. The textile industry also plays an important role in equitable distribution of the regional economy, creating a multiplier effect, especially on the surrounding economy. During the pandemic, the textile industry sector has proven to be able to survive in absorbing labor. To encourage the textile industry to continue to move and improve, the Government is committed to creating a conducive business climate. One form of Government support is through the provision of credit restructuring that can be utilized by business actors in facing the challenges that exist during the Covid-19 pandemic.

"This restructuring opportunity can be utilized so that production capacity can be increased, working capital can be recovered, and of course we hope that with this situation the textile industry is able to continue to employ a large number of workers throughout Indonesia," said Coordinating Minister for Economic Affairs

Airlangga Hartarto in a statement. written statement, Friday (25/02).

In terms of exports, the performance of the textile industry also experienced quite good growth and contributed 5.6% of total exports. The increase in exports was accompanied by a decrease in imports of US\$ 9.4 billion. This is in accordance with the import control policies carried out by the Government including anti-dumping import duties and tightening import permits.

"As a labor-intensive and export-oriented sector, we need to continue to maintain the productivity of the textile industry. During this pandemic, the textile industry plays an important role, especially to meet the needs in terms of preventing Covid-19, such as the production of masks and PPE," said Coordinating Minister Airlangga.

Regarding investment, Coordinating Minister Airlangga when closing his speech said that investment in the textile industry is still needed and is also in demand by investors.



"Monitor the health of your employees before work"



Government Provides 18 Million Doses of Booster Vaccine for Industrial Workers

The Ministry of Industry in coordination with the Ministry of Health ensures the availability of a third vaccine or booster of 18 million doses. Plt. Director General of Chemical, Pharmaceutical and Textile Industries (IKFT) Ignatius Warsito said that after the implementation was inaugurated by President Joko Widodo (Jokowi) this morning, the Ministry of Industry targets to inject 1 million doses within the next week. Meanwhile, the availability of 18 million doses of booster vaccine can meet the total number of industrial workers, which until the end of last year recorded 18.64 million people. "We have coordinated with the Ministry of Health, currently there are 18 million [dose] vaccines.

As targeted by the Minister (Minister of Industry Agus Gumiwang), within the next week we can vaccinate one million workers and their families," said Warsito in the socialization of Minister of Industry Circular No. .2/2022 concerning the third dose of vaccination for industrial workers, Thursday (24/2/2022).

Acting Secretary of the Directorate General of IKFT Elis Masitoh explained that to date there are 8,726 holders of Operational and

Industrial Activity Mobility Permits (IOMKI) in the IKFT sector with a workforce of 3.65 million people.

Of these, the achievement of the second dose of vaccination was 1.81 million people, and the third or booster vaccination only reached 180,966 people.

Meanwhile, for the industrial sector under the Directorate General of IKFT, the target for booster vaccination is set at 250 thousand people until March 2022. The details are 100 thousand people in the textile and footwear industry, 50 thousand people in the downstream chemical industry, 50 thousand people in the upstream chemical industry. , and the remaining 50 thousand people are in the cement, ceramics, and non-metallic minerals sector.

"Why March 2022? The consideration is that next month we will enter the beginning of the fasting month, so it is feared that many staff who are fasting will not want to be vaccinated. Then after that there will be Eid holidays," said Elis.

Meanwhile, based on the Minister of Industry Circular No. 2/2022, industrial companies and industrial estates are targeted to vaccinate 50 percent of their employees by June 2022. By December 2022, all industrial companies are required to have 100 percent of their employees vaccinated.

Bappenas: Implementation of Circular Economy Can Create Economic Growth of up to 2.5 Percent



The implementation of a circular economy is believed to encourage higher economic growth and create new jobs in large numbers. Deputy for Economic Affairs at the Ministry of National Development Planning/National Development Planning Agency (Bappenas) Amalia Adininggar Widyasanti said that the implementation of a circular economy would create economic growth of up to 2.5 percent of GDP. "The implementation of the circular economy will contribute and become a source of new economic growth because it can create economic growth of 2.3 to 2.5 percent of GDP," he said in the Indonesia Green Economy Outlook 2022 Business Webinar, Tuesday (22/2/2022).

Amalia explained that the implementation of a circular economy will also create new jobs, up to 4.4 million jobs.

"Obviously most of these jobs will be very open to women," she said.

The implementation of the circular economy is one of the strategic sectors that will be encouraged by the government for the development of a green Indonesia.

The circular economy will be applied primarily to five priority industrial sectors, including food and beverage, textiles,

construction, electronics, and retail that uses plastic packaging.

Meanwhile, based on a Bappenas study, the implementation of a circular economy can reduce waste in the five priority sectors by 18 to 52 percent compared to only the business as usual scenario in 2030.

The circular economy is also estimated to reduce the waste generated in the textile industry by up to 3.2 million tons by 2030 (-18 percent) of the waste generated by 3.9 million tons.

In addition, construction waste can also be reduced to 42.5 million tons (-20 percent) from 52.8 million tons; retail plastic packaging waste can be reduced to 4.8 million tons (-36 percent) from 7.5 million tons; and e-waste can be reduced to 1.9 million tons (-24 percent) from 2.5 million tons.



Ministry of Industry: Garment and Textile Industry Grows 10% in First Half

The Ministry of Industry (Kemenperin) estimates that the garment industry can grow at the level of 10.44% in the first half of 2022. This growth is driven by a surge in demand in Ramadan 2022. Director of the Textile, Leather and Footwear Industry of the Ministry of Industry, Elis Masitoh, noted that the production volume of the apparel industry could grow 10.44% on an annual

basis in the first quarter of 2022. However, Elis assessed that the volume of demand for the apparel industry in Ramadan 2022 was only around 70% - 75% of the pre-Covid-19 pandemic.

"(In addition, this prognosis) ignores PPKM (Implementation of Restrictions on Community Activities). If it turns out that PPKM level 3 (is implemented in the first quarter of 2022), it may be even lower (compared to the performance of Ramadan 2019)," said Elis, Friday (18/2).

In the second quarter of 2022, Elis predicts that the garment industry's production volume growth will slow to 10.15% on an annual basis. In semester II-2022, the growth of the garment industry continued to decline to 0.16% in the fourth quarter of 2022.

However, the performance of the garment industry throughout 2022 will be in the green zone for the first time during the pandemic or grow 5.84% on an annual basis. Meanwhile, the national garment industry in 2020 fell by 8.89%, while in 2021 it fell by 3.31%.

The largest garment industry growth since 2017 occurred in 2019, which was 19.48% on an annual basis. This figure is higher than the beverage industry growth of 19.09% in the same year.

In addition, the textile industry or the garment raw material industry is projected to fluctuate growth. The largest textile industry growth will occur in the third quarter of 2022 at 5.88% on an annual basis, while the lowest is in the fourth quarter of 2022, which shrinks by 1.02%.

Elis said the growth of the textile industry will be high since July 2022 to meet the demand for the garment industry in facing the Ramadan 2023 market. For information, each

supply chain will take at least 3-4 months to meet the demands of their respective consumers.

The months of Ramadan in 2023 and 2024 will be in the first quarter of each year. Thus, the garment industry will have two surges of demand in 2023.

"Hopefully the purchasing power and the pandemic will be over (in 2023), and the economy will really recover," Elis said.

Previously, Elis recorded that the average utilization of the textile and textile product (TPT) industry throughout 2021 was 60%. However, by the end of 2021, it had touched the 75% level for the upstream and intermediate industries, while the garment industry's utilization was at 85%.

"The average (utilization in 2021) is 60% because at the beginning of the third quarter of 2021, Java and Bali PPKM levels 3 and 4. Only export-oriented (TPT industry) can produce, even then only 50% (of the total installed capacity) , for a domestic orientation can't produce at all," said Elis.

Secretary General of the Indonesian Filament Yarn and Fiber Producers Association (APSyFI) noted that the realization of textile industry production growth was still moving in the red zone in the second quarter of 2021 and the third quarter of 2021 on an annual basis. However, the improvement in demand in the fourth quarter of 2021 will make textile production throughout 2021 better than the 2020 achievement.

Redma assessed that the improvement in demand in the fourth quarter of 2021 will continue this year. According to him, demand can rise up to 40% under normal conditions, but with current conditions, textile demand in the first semester of 2022 can only increase by 15% on an annual basis.

University of Jember Students Win Gold Medals at AISEEF 2022 International Event

Students of the Faculty of Agriculture, University of Jember (Unej), East Java, won a gold medal in the international scientific writing event in the environmental field, Asean Innovative Science Environmental and Entrepreneur Fair (AISEEF) 2022. The international competition organized by the Indonesia Young Scientist Association (IYSA) with Diponegoro University on 2-4 February 2022 was attended by 447 teams from 20 countries. "Our paper was raised from concerns in the management of liquid waste produced by the textile industry because if this liquid waste is not managed properly, it can damage the soil and water environment," said Danil Eka Fahrudin, the head of the student team on Friday, February 18, 2022.

Danil and his friends, namely Nur Laila Magvira, Ahmad Burhanudin, Reza Maulana, and Safira Ummah submitted a scientific paper entitled "Textile Wastewater Bioremediation Using Bacterial Enzyme for Free Pollutant Industrial Environment".

"Waste is toxic and when it is released carelessly into the environment or into the soil, it will physically damage the soil because the good bacteria that make up the soil will die. Likewise, if it is released into the water, for example into a river, it is even more dangerous," he said.

He said that liquid waste from the textile industry cannot decompose by itself and if it is disposed of carelessly the impact will leave sediment or residue that will continue to poison the soil and water because it cannot be decomposed.

"Therefore, we are conducting research on how to make the liquid waste produced by the textile industry decompose by itself. We add *Pseudomonas aeruginosa* bacteria as a decomposer," said the student of the Agrotechnology Study Program.

Danil explained that the bacterium *Pseudomonas aeruginosa* can decompose water that has been contaminated with fabric dyes, so that after textile wastewater decomposes from fabric dyes and toxins, the waste can be safely released into the environment.

"In our research, it shows that the liquid textile waste added with *Pseudomonas aeruginosa* slowly fades. It took about a month for the water to become clean, which means all the colors and toxins have been decomposed," he said.

Although his scientific work is still limited to the results of research in the laboratory, he hopes that it will soon be implemented to help manage the textile industry's liquid waste that has the potential to damage the environment.

The price of bacterial isolates, said Danil, is still quite expensive. However, according to him, it can still be reproduced independently. The price per 100 milliliters ranges from Rp. 300 thousand to 400 thousand. "The bacteria can be cultured so that it can save costs because once you buy it, it can be used forever by multiplying it yourself," said this Jember University student.



Bye LCS BI! Textile Industry Prefers Transactions in US Dollars



The textile and textile product (TPT) industry tends to use the United States (US) dollar instead of Indonesia's local currency or local currency settlement (LCS) along with China, Japan, Malaysia and Thailand for their export and import activities. The maneuver was taken to reduce the risk of exchange rate fluctuations and currency exchange fees when transacting across countries. Secretary General of the Indonesian Filament Yarn and Fiber Producers Association (APSyFI) Redma Gita Wirawasta said the trend was due to petrochemical and cotton-based textile raw materials purchased mostly using US dollars. On the other hand, the majority of exports for textile products are sold at US dollars.

"In textiles, we still use a lot of US dollars. Except with Japan, there are indeed some who use LCS transactions. With China, it seems that they rarely use LCS, because they themselves are still asking us to use US\$," said Redma via WhatsApp message, Wednesday (16/2/2022).

On the other hand, Redma said, the use of the US dollar was carried out to reduce the burden on the exchange rate as a result of transactions resulting from exports and imports of textile products.

"If we switch to the currency of an LCS partner country, there will be additional costs, including exchange rate risk," he said.

Previously. Head of the Trade Assessment and Development Agency (BP3) of the Ministry of Trade Kasan Muhri said the performance of domestic exports and imports was relatively stable amid the potential strengthening of the US Dollar exchange rate throughout 2022.

Kasan explained that the implementation of local currency settlement (LCS) transaction agreements with China, Japan, Malaysia and Thailand helped maintain the stability of the rupiah exchange rate against the US dollar this year. Kasan said the volume and value of LCS transactions throughout 2021 experienced a significant increase since it was rolled out in 2018.

"The LCS between Bank Indonesia [BI] and the Central Bank of China for bilateral transactions including exports and imports shows BI's confidence in the stability of the rupiah exchange rate in the future and dependence on the US dollar is no longer too worrying," Kasan said via WhatsApp message, Wednesday (16/03). 2/2022).

In addition, Kasan said, the position of foreign exchange reserves above US\$137 billion will add confidence for exporters and importers to face the impact of the strengthening US dollar exchange rate following the tapering off policy from the United States Central Bank or the Fed late last year.

"I think our export and import performance is quite resilient in facing the risk of the impact of the Fed's policy," he said.

Coal Prices Skyrocket, Textile Industry Worries Electricity Tariffs Rise

The textile and textile products (TPT) industry is worried that the increase in coal prices will also raise the basic electricity tariff or TDL for manufacturing this year. Secretary General of the Indonesian Fiber and Filament Yarn Producers Association (APSyFI) Redma Gita Wirawasta said this would undermine the competitiveness of domestic textile export products. Redma reasoned recently that the industry had to buy coal according to the international market price. Meanwhile, coal prices are experiencing a significant increase due to the Russia-Ukraine crisis earlier this year.



"The problem is electricity, if this electricity increases our competitiveness will be lost even though we have energy sources but instead are given a price according to the market," said Redma, Tuesday (15/2/2022).

Redma said the electricity tariff accounts for about 25 percent of the total TPT production costs. The increase in TDL will raise the cost of production which in turn has an impact on the price of goods at the consumer level.

"Our hope is that PLN for coal is supplied if its commitment is no longer to export commodities, meaning that PLN's coal is supplied not at market prices but economically," he said.

The ICE Newcastle Exchange noted that February's coal contract had strengthened 5.90 points to US\$245 per metric ton on Sunday (13/2/2022). In previous trading, black gold was still valued at US\$239.10 per metric ton.

Meanwhile, coal for the March contract also strengthened 5.25 points at the level of US\$220 per ton. This figure increased from the previous trade of US\$214.75 per tonne.

Then in the April contract, coal was at the level of US\$195.10 per ton, an increase of 5.25 points from the previous price of US\$190.85 per ton. The price increase this year occurred amid the increasing demand for coal for power plants in the global market.

Wow, Trade Agreement Benefits are More Enjoyed for Imports

Business actors noted that the tariff exemption from Indonesia's trade agreements has so far been used more by Indonesia for imports than exports. This is inseparable from the structure of Indonesia's imports which are dominated by raw/auxiliary materials to support production activities. "Our evaluation in the last few years is that our FTAs are mostly used for imports, not exports. This is because on the import side we have a lot of productive imports for production purposes," said Coordinator of Deputy General Chair III of the Indonesian Chamber of Commerce and Industry for Maritime Investment and Foreign Affairs, Shinta W. . Kamdani, Sunday (13/2/2022).

On the other hand, Shinta said that not many Indonesian exports were included in the global value chain (GVC). This situation makes efforts to encourage exports

constrained by the burden of meeting criteria in the destination country (compliance), regardless of the tariff exemption applied.

"Exports for GVC are usually assisted by global buyers for the needs of smooth supply and export compliance," he said.

Therefore, Shinta continued, if Indonesia is not aggressive in encouraging exports, especially in meeting the criteria in the destination country, trade agreements will not be optimal in boosting export performance. As a result, the trade agreement actually widens the deficit with partners.

"Therefore, we continue to urge the government to be more aggressive and more consistent in helping national businesses improve export performance," added Shinta.

The trade balance with a number of trading partners who have entered into trade agreements with Indonesia recorded a widening deficit. Among them is the deficit with Australia which will increase from -US\$2.14 billion in 2020 to -US\$6.20 billion in 2021, in line with the implementation of the Indonesia-Australia CEPA.

There was also an increase in Indonesia's deficit with Singapore and Thailand, from -US\$1.68 billion to -US\$3.81 billion and from -US\$1.73 billion to -US\$2.06 billion, respectively.

Chairman of the Indonesian Textile Entrepreneurs Association (API) Jemmy Kartiwa said textile and textile product exports (TPT) had enjoyed tariff exemptions to all Asean countries and to China. For other markets such as Europe and the United States, TPT goods still face import duties.

"However, whether it will automatically have an impact on exports cannot be concluded

immediately, further data studies are needed," said Jemmy.

Separately, Secretary General of the Association of Electronics Entrepreneurs (Gabel) Daniel Suhardiman noted that almost all electronic goods including finished products, components, and raw materials traded with 10 major trading partners have been free from the imposition of tariffs.

"With fellow Asean countries there is AFTA and with China there is Asean-China FTA," he said.

Exports of the electronics industry were recorded at US\$ 11.77 billion or equivalent to Rp. 168.74 trillion throughout 2021.

However, this value is still much lower than electronics exports in other Asean countries such as Malaysia which reached 37 percent of total exports of US\$293.7 billion or Vietnam, whose electronics exports reached 39 percent of total exports of US\$364 billion throughout 2021.

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The rise of cheap imported products threatens the existence of the local textile industry
Details
Written by Admin1
Published: 14 June 2021
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.
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EXPERT PERSPECTIVE
Awakening the Economy of Eid

Enny Sri Hartati
Senior Researcher
Institute for Development of
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INDEF

In the midst of Covid-19, India is again a big global textile player



India's textile industry has managed to bounce back even though the pandemic is not over yet. The factories of Texport Industries in southern central India are filled with thousands of female workers. They were busy turning yarn and fabric into T-shirts, shirts, spaghetti tops, and children's clothing for US customers Tommy Hilfiger and Kohl's Corp. Having been beaten in recent years by neighboring Bangladesh and later hit by the Covid-19 pandemic, India's garment factories are now nearing full capacity. It is a rare labor market bright spot for Prime Minister Narendra Modi and his ruling party as they head for elections in 2024.

"We are very busy. We are constantly looking for more workers to work in this factory," said Parashuram, head of one of Texport's factories in the country, as the 60 newly recruited women practiced sewing.

Texport is seeking land to add a new plant around its main production base in Hindupur, about 100km north of the technology hub Bengaluru. Continued success for the textile and apparel industry, the country's biggest employer after agriculture, is crucial if Modi is to successfully tame protracted unemployment.

India's unemployment rate is above 7% and is estimated to have surpassed the global

average in five of the last six years. This has become a huge problem for a country that has to create millions of jobs every year just to keep up with young people joining the labor market.

India is the world's fifth largest exporter of textiles and apparel with a 4% share of the US\$840 billion global market. While China controls more than a third.

India's exports are on par with its closest rival Bangladesh about a decade ago but have lagged in recent years especially in clothing. This is due to higher labor costs which make Indian clothing about 20% more expensive.

Indian textile and apparel companies say they are now adding new clients. Along with selling more to existing clients and increasing production capacity as foreign buyers seek to diversify their supply chains.

Apart from China, only India has a large supply chain for everything from cotton to garments.

However, some industry leaders say that unless India signs free trade agreements with Western countries. Because it won't be easy to sell more from Bangladesh, which also enjoys preferential export terms from many buyers as a less developed country.

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The Consumption of Clothing Increases, Becomes the Foundation for the Recovery of the Textile Industry

The recovery of the textile industry this year will rely on increasing domestic consumption. The reason is, even though the demand for exports is high, logistical constraints in the form of limited containers and high shipping costs are still obstacles. Supported by increased purchasing power, the Director of Textile, Leather and Footwear at the Ministry of Industry, Elis Masitoh, believes that the textile and textile product (TPT) industry will grow positively this year, after recording another contraction in 2021. According to data from the Central Statistics Agency (BPS), the textile and apparel sector contracted -4.08 percent throughout 2021, although it was able to grow 5.94 percent in the fourth quarter of 2021.

"The focus of this year's growth will of course remain on consumption, which is expected to increase, net exports will increase and investment will also be the same," said Elis, Friday (11/2/2022).

Elis continued, when viewed from the growth factors, especially in domestic consumption for clothing and footwear as well as maintenance services, the textile industry has improved.

In detail, last year the textile industry grew - 6.28 percent and the apparel industry -3.31 percent. Meanwhile, the leather, leather goods and footwear industry grew 7.75 percent.

Meanwhile, the average utility capacity of the textile industry last year was recorded at 69.42 percent, 74.4 percent for the apparel industry, and 72.05 percent for the leather, leather goods and footwear industry.

In terms of production volume, the textile industry is also still experiencing a contraction of 3.97 percent from 7.20 million tons in 2020 to 6.92 million tons in 2021. Meanwhile, the volume of apparel production grew 14.47 percent from 1.41 million tons. in 2020 to 1.62 million tonnes in 2021.

The leather, leather goods and footwear industry experienced the highest growth of 33.42 percent from 793.8 million pairs to 1.05 billion pairs in 2021.

Logistical constraints will still suppress export performance this year. Meanwhile, domestic consumption can be boosted by the import substitution program, the imposition of trade remedies such as security measures import duties (BMTP) for fabrics, carpets, curtains and garments.

"Then to increase domestic consumption, especially government spending on uniforms, there is a TKDN program [domestic content level] and to attract domestic buyers in various promotional events," explained Elis.

Check out Trisula Textile Industries (BELL) Strategy to Maximize Performance in 2022



Ki-Ka: Karsono Wongso Djaja (Direktur Utama BELL), R Nureulian Kusumawati (Direktur BELL), Handi Suwanto (Direktur Independen BELL)

The onslaught of the pandemic, which is still ongoing until now, has not dampened the

enthusiasm of the textile issuer, PT Trisula Textile Industries Tbk (BELL) to achieve the best performance. Management said that his party had launched various strategies in order to adapt to the situation and impact of the corona pandemic. Trisula Textile's Corporate Secretary, R Nurwulan Kusumawati said, one of the strategies the company continues to promote this year is to optimize BELL's expertise in customized orders for textile, uniform, and retail products according to customer needs.

He continued, maintaining good relations with customers has always been a priority for the company, including this year. So that going forward, BELL will continue to strive to develop new products according to customer needs, and pay attention to sustainable production processes.

"Another strategy is that there are still very wide opportunities for BELL to get uniform orders from both the government and the private sector, this is because with maintained quality BELL can gain the trust of customers," said Nurwulan, Tuesday (8/2).

The surge in cases of the Omicron variant of Covid-19, which began to occur in various regions in the country since the beginning of 2022, has made the company even more aggressive in carrying out an omnichannel sales strategy, both online and offline.

In order to anticipate the impact of declining sales due to the social restriction policy, BELL also seeks to maximize marketing potential in digital marketing, one of which is the launch of an e-commerce platform called Yukshopping.com.

This shopping site, which was created with Trisula Group, aims to improve online sales performance and become a one-stop-solution for Trisula Group products. Meanwhile, the products sold consist of

products from the Trisula Group and those outside the Trisula Group. "For example, such as clothes, fabrics, furniture, and property," he said.

However, BELL does not only sell products online through Yukshopping.com, but also through other online marketplaces, such as Shopee, Lazada, Tokopedia, and so on. "It is hoped that this BELL strategy can provide better performance in 2022," he concluded.

Textile Export Targeted at IDR 171.6 Trillion, Indonesia Seizes European and US Markets

The textile and textile product (TPT) industry is optimistic that export performance will remain high at US\$ 12 billion or around Rp. 171.6 trillion throughout 2022. Secretary General of the Indonesian Filament Yarn and Fiber Producers Association (APSyFI) Redma Gita Wirawasta said the projection was due to stable demand from the European and US markets throughout 2021. "We can see that China is still not fully running due to the energy crisis, so there will be a transfer of orders from European and United States buyers, our buyer trust is bigger than Vietnam," said Redma via WhatsApp message, Wednesday (9/2/2022).

world supply this year. However, he said, the increase in production costs is considered to hamper the competitiveness of domestic products in the world market.

Besides Indonesia, the transfer of orders from China was also aimed at Bangladesh and India as one of the largest textile producers in the world.

"The internal obstacle is still the electricity tariff, which we do not know how much it will increase in April 2022. We hope that the

government's policy is pro-people by providing normal coal prices for PLN and its DMO commitment," he said.

Meanwhile, the contribution of the textile industry to the gross domestic product (GDP) of the manufacturing sector was 6.08 percent in the third quarter of 2021. Meanwhile, the growth of the textile industry on a quarterly basis also improved to 4.27 percent (q to q) when compared to the previous quarter. II-2021 by 0.48 percent.

In fact, textile exports in the January-October 2021 period also increased by 19 percent to US\$10.52 billion, in addition to the investment value which also increased by 12 percent to Rp5.06 trillion.

Previously, the Ministry of Trade (Kemendag) projected the trade balance surplus this year to be in the position of US\$31.4 billion to US\$31.7 billion. The projection is a decrease of 11.39 percent when compared to the 2021 surplus of US\$35.44 billion.

Head of the Trade Assessment and Development Agency (BP3) at the Ministry of Trade Kasan Muhri said the trade balance projection adjustment was based on the outlook for global commodity prices, which tended to decline at the beginning of this year.

"The increase in the price of supercycle commodities is still the driver of the increase in the value of Indonesia's exports. But looking at previous experiences, this condition will not last long," Kasan said via WhatsApp message, Wednesday (9/2/2022).



"Monitor the health of your employees before work"

High Crude Oil Prices Can Hoist Textile Raw Materials and Textile Products



High oil prices have the potential to have an impact on the textile and textile products sector. Secretary General of the Indonesian Filament Yarn and Fiber Association (APSyFI) Redma Gita Wirawasta revealed that the increase in oil prices affected the price of textile raw materials, namely Purified Terephthalic Acid (PTA). This is because the raw materials come from paraxylene to naphtha. So far, he noted that he has seen an upward trend in raw material prices in line with high oil prices. "As for the PTA price increase as of this week, it has started to increase by 4% from last week, there has been an upward trend. There has not been a significant increase in the selling price of fiber and filaments," he said, Tuesday (8/2).

Currently, the price of crude oil is quite high, even reaching US\$ 90 per ton. On Tuesday (8/2), the price of West Texas Intermediate (WTI) oil on the New York Mercantile Exchange experienced a slight decline, but was still above the level of US\$ 80 per barrel, to be exact at US\$ 89.59 per barrel.

With this increase, Redma estimates that textile prices in the upstream sector have the potential to increase in the future. "If you look at the trend in oil prices, there is the potential for an upstream price increase of around 2%," said Redma.

In the midst of high crude oil prices, the issuer in the garment business, PT Trisula International Tbk (TRIS) is still reviewing the development of crude oil prices.

"We are still monitoring developments first because the current conditions are changing a lot," said TRIS President Director, Santoso Widjojo

Furthermore, Santoso explained, on the garment side, the raw materials for TRIS garment products use oil derivatives, namely materials in the form of Polyester and Polyester mixed with Wool or Viscose.

"The increase in oil prices has an impact on the price of our garment products, but we can minimize it together with raw material suppliers and customers so that all parties can accept it well," said Santoso.

On three terms with TRIS, PT Trisula Textile Industries Tbk (BELL) is also still reviewing the development of existing crude oil prices.

"Regarding the increase, we are still monitoring developments first because the current conditions are changing a lot," said BELL Corporate Secretary, Nurwulan Kusumawati.

Take a peek at PT Alkindo Naratama Tbk (ALDO) stock recommendations from Samuel Sekuritas

Samuel Sekuritas initiated the shares of PT Alkindo Naratama Tbk (ALDO) with a buy rating. Meanwhile, the target price for this issuer of paper producers is Rp. 2,000 per share. Samuel Sekuritas analyst Farras Farhan in his research on February 7, 2021, wrote that, prospectively, ALDO has promising performance growth potential. This issuer, which provides papercore products that are used as bobbins for the textile industry, also has a fairly diverse business diversification. In addition to focusing on the textile industry, ALDO also has a chemical distribution and polymer sales business unit.

Not only that, ALDO is also expanding into the packaging sector from recycled cardboard, with flexible packaging and brown paper products.

In 2019, ALDO has also acquired Eco Paper Indonesia with the aim of increasing the brown paper business.

Farras assessed that one of the factors that will drive ALDO's performance growth in the future is the expansion of Eco. Meanwhile, this year ALDO has budgeted a capex of Rp 370 billion for the expansion of Eco Paper Indonesia in line with the increasing demand for eco packaging from the FMCG industry, especially the F&B and e-commerce sectors.

Later, through this expansion, ALDO will increase its production capacity to 150,000 tons which is projected to be completed in the fourth quarter of 2022.

"We estimate that it will take some time before all new facilities from this expansion can be fully utilized, and the company's utilization rate will increase gradually until 2024," Farras wrote in his research.

Through this additional capacity, Farras believes that ALDO has the potential to generate revenue of Rp. 1.6 trillion in 2022, of which 47% (Rp. 739 billion) will come from Eco Paper Indonesia.

In addition, he also sees ALDO can maintain the effectiveness and stability of the margin for this year. Farras projects ALDI's GPM and OPM at 22% and 11%, respectively. Overall, he assessed that ALDO could print a net profit of Rp. 73 billion this year.

Apart from expansion, one of the positive catalysts that can boost ALDO's performance is the momentum of economic recovery. Farras said the economic recovery would increase demand for textile chemicals.

Therefore, he projects that ALDO's chemical distribution volume will increase by 7% yoy to 3,144 tons in 2022 and continue to grow.

However, the expansion action will make ALDO's debt portion in 2022 bigger than the company's equity. Based on his calculations, the DER ALDO will be around 0.52x.

"However, with the expansion already underway, we see that this DER portion will decrease in the following years, and the solvency of ALDO will be healthier," he concluded.