

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



Get Caber Facilities, 2 Jogja Companies Export 24 Tons of Textile Products

Head of the Yogyakarta Customs Office Hengky Aritonang said the authorities are committed to providing facilities to entrepreneurs in bonded zones. The goal is to encourage export performance. Most recently, the authorities have served PT Marvel Sports International to export thousands of cartons of its gloves to the United States (US). A total of 13 tons of export goods departed from the factory in Bantul on March 24, 2022 using 2 containers. Furthermore, through the Tanjung Emas Port in Semarang, the two containers departed by ship to the US on March 29, 2022.

"The export activities of these bonded zone companies have contributed to the country's foreign exchange amounting to US\$428,759 or Rp. 6.1 billion. PT Marvel Sports International is a company that receives bonded zone facilities and since last year has become an independent bonded zone company (kaber)," said Hengky.

By becoming an independent bonded zone (kaber) company, said Hengky, the signing of documents, supervision of stuffing, and sealing of containers will no longer be carried out by Customs employees. All activities are carried out by the company itself. This activity will be carried out by a liaison officer

who is a representative of the bonded zone entrepreneur in the independently bonded zone.

"This facility has made it easier for companies to enter and release goods quickly without depending on the presence of officers. In addition, the efficiency of unnecessary costs due to waiting for the service process is also an undeniable benefit," he said.

Furthermore, Hengky added that another company that received bonded zone facilities and had carried out exports was PT Busanaremaja Agracipta (PT BRA-1). The company exports more than 11 tons of underwear to Austria. PT BRA-1's export activities contributed to the country's foreign exchange of US\$458,019 or Rp6.5 billion.

"We hope that with our readiness we can facilitate the import-export process, cost and time efficiency, so that in the end it will provide many benefits for companies and the country," concluded Hengky.

LATEST NEWS



Take 161 Actions, Riau Customs and Excise Saves IDR 365.8 Billion of State Money

Pekanbaru City: The Directorate General of Customs and Excise (DJBC) of Riau Province saved potential state losses of Rp. 365.8 billion in January-March 2022 or the first

quarter. This amount was obtained from 161 actions as a form of supervision and prosecution of illegal goods. "From the 161 actions taken, it is estimated that the value of the goods reached Rp. 369.9 billion," said Head of the Riau DJBC, Agus Yulianto, in Pekanbaru, Friday, April 15, 2022. He said that his party mostly took action against illegal tobacco, which was 110 times out of 161 actions that had been carried out by DJBC Riau.

He detailed that 2.5 million illegal cigarettes were secured with an estimated value of Rp. 2.6 billion with a potential excise and tax value of Rp. 1.6 billion.

In addition, DJBC Riau also took 9 actions against narcotics trafficking in Riau.

"From these 9 actions, we secured 345.5 kg of methamphetamine and 16 thousand pills of ecstasy with an estimated value of goods reaching IDR 366.8 billion, and the potential loss to the state for rehabilitation costs of IDR 364 billion," Agus explained.

The rest of the DGCE Riau took 4 actions against textiles and textile products with an estimated value of Rp. 130 million with a potential state loss of Rp. 36.8 million.

In addition, there were two actions against iron, steel and their products with an estimated value of Rp. 63 million in goods with a potential loss to the state of Rp. 18.4 million.

Next, take action against electric machines, pumps and fuels with an estimated value of Rp. 163 million in goods with a potential loss of Rp. 38 million to the state.

"In the future, we will continue to improve our performance in monitoring and taking action against the circulation of illegal goods," he said.



"Monitor the health of your employees before work"

Hundreds of Residents Reject Monopoly of River Water for Textile Factory

Textile Entrepreneurs Sanction Coal Special Price Policy Can Be Optimal

Textile entrepreneurs are not expected to switch back to using coal even though special prices have been extended to all industrial sectors starting April 1, 2022. General Chairperson of the Indonesian Filament Fiber and Yarn Association (APSyFI) Redma Gita Wirawasta said entrepreneurs must first calculate between operating their own power plant using coal and PLN's electricity tariff. Since the price of coal soared last year, textile entrepreneurs who have independent power plants have shifted their power to PLN because they are considered more efficient.

"I'm a bit pessimistic, because first we have to calculate again, running the power plant itself with electricity [PLN]. We don't know how much electricity [tariff] will increase," said Redma, Friday (8/4/2022).

In addition, Redma also doubts the certainty of coal supply for industry even though the government has set a domestic market obligation (DMO) price of US\$90 per metric ton. The reason is, the amount of DMO remains unchanged by 25 percent.

Coal entrepreneurs who have fulfilled their DMO quota will be reluctant to supply at this special price. "If their DMO has reached 25 percent according to the regulations, and PLN has taken all of it, he can sell it above that price. Because they feel they have complied with the DMO rules, they want to export at a higher price," he said.

In 2020, when the DMO price was set at US\$70, the textile industry found it difficult to accept the set price. Redma said that at that time the average yield was US\$120 per metric ton. That too with a tight supply.

The Ministry of Energy and Mineral Resources (ESDM) has allocated 1 million tons of coal for the textile industry this year. However, currently Redma admits that very few textile industries have purchased coal for their own power plants.

"If there are no textiles, everything has moved to PLN," he said.

Poolapack Efforts to Present Digital Solutions in the Textile Industry

The textile and textile product (TPT) industry is considered to still have not taken full advantage of digitization. The breadth of supporting aspects to produce garment and textile products is one of the obstacles that the textile industry is still reluctant to adopt. Public Relations Strategist Poolapack Agung Pratama revealed that textile industry companies also do not have an integrated system for buyers, and this causes limited opportunities to increase sales. "The order process can take up to several days, even the level of unfulfillment (unfulfillment rate) of sales can reach 30-50%. This situation certainly forces fashion business players and brand owners to go through multi-layered supply chains," Agung said in a written statement, Monday (11/4/2022).

In addition, traditional textile traders also have limitations in the choice of products which are relatively expensive, the ordering system is not integrated, and there is no product guarantee. This also makes the Indonesian textile industry from upstream to downstream controlled by foreigners because domestic products are less competitive.

Agung explained that the digitalization solution to support the textile industry was carried out by Poolapack in the supply chain, especially for long-tail merchants in the MSME segment, aka merchants with search volumes and relatively low levels of competition.

"With this supply chain digitization, MSMEs will certainly get access to goods directly from the factory and factory prices, which are expected to increase profit margins due to low production costs," he said.

To meet supply chain needs in Indonesia, said Agung, Poolapack is developing order management and inventory management. This allows order confirmation in less than an hour, reduces order non-fulfillment rates to less than 5%, increases production process transparency, and provides a Request for Quotation (RFQ) feature to request textile materials that are not yet available.

Meanwhile, in the future, it will also carry out digitization for other industrial sectors, such as the metal and aluminum industry, plastic ore, and so on.

"It is hoped that in the future, the comprehensive digitalization brought by Poolapack will be able to have a good impact on the Indonesian economy, which is not only centered on Java and Sumatra, but shifts to Indonesia-centric in accordance with Indonesia's mission to become the world's

fourth largest economy in 2045," he concluded.



Textile Industry Stretches, Electricity Consumption Soars!

The homeland textile industry became the biggest supporter of electricity consumption in the first quarter of 2022 from national electricity consumption which reached 65.42 Terra Watt hour (TWh). In addition to the textile industry, the iron and steel industry also accounts for the largest electricity consumption. PT PLN (Persero) recorded an increase in electricity sales of 8.42% year on year (yoy) to 65.42 Terra Watt hour (TWh) in the first quarter of 2022. PLN's Executive Vice President of Corporate Communications and CSR, Agung Murdifi, said the increase in electricity sales was a signal that the economy was recovering. Community activities that are recovering encourage electricity consumption, especially from the industrial and retail sectors.

"PLN ensures that it will continue to provide the best electricity services to support community activities and restore the economy," said Agung, Tuesday (12/4/2022).

According to Agung, electricity consumption in the industrial sector in the first quarter of 2022 reached 21,953 Giga Watt hour (GWh). That figure is 33.56% of the total national consumption.

"Compared to March last year, consumption growth in the industrial sector was still 4 percent. However, this year it rose 16 percent," said Agung.

Among all sectors, said Agung, the textile industry contributed the most, namely 2.8 GWh or grew 14 percent in March this year. Meanwhile, the iron and steel sector was 2.01 GWh, up 10%. Meanwhile, the chemical industry grew 8% with a consumption of 1.6 GWh and the cement industry grew 7 percent with a consumption of 1.4 GWh.

The increase in electricity sales was followed by an increase in customer connected power. In March 2022, the number reached 153,744 Mega Volt Ampere (MVA) or grew 11.28% compared to last year.

Agung continued, several efforts were made by PLN to increase the use of electricity in the industrial sector. One of them is through captive power acquisition, which is a form of PLN service support in fulfilling electricity supply for industrial customers who still operate their own power plants.

Through this service, customers who have captive power can stop operating their power plants and fully entrust their electricity supply to PLN. That way, customers can focus more on their business development affairs and are no longer busy in operating their own power plants.

Agung emphasized that PLN was continuously trying to find new market gaps. A number of sectors are now being targeted by PLN, such as agriculture, animal

husbandry, plantations and fisheries, as well as marine. "We are developing electrifying agriculture and electrifying marine," said Agung.

PLN is also campaigning for a new lifestyle, namely an electrifying lifestyle through the use of low-emission and environmentally friendly electronic equipment. In addition, PLN also runs a number of programs that provide convenience for customers, such as discounts on the cost of adding electricity and the convenience of new installation services.

According to Agung, customers can enjoy various service facilities through the PLN Mobile application. After being launched on December 18, 2020, more than 27 million users have registered on the PLN Mobile application with a satisfaction level of 4.8 out of 5.

The Origin of Mayestik Market, A Leading Textile Center Partly Owned by Indians

The Mayestik Market on Jalan Tebah, Kebayoran Baru, South Jakarta is famous as a textile center. Many rows of textile material shops are partly owned by citizens of Indian descent. The Mayestik Market has been around since the 1950s, but its inauguration was only carried out in 1981. Near this market there is also the Pertamina Central Hospital and Taman Puring which is famous for its second-hand goods center. According to Zaenuddin HM, author of the 2012 book 212 Origins of Djakarta Tempo Doeloe, young people at that time often spent time in malls such as Pasaraya, the Melawai area, Blok M Mall, to the Pasar Mayestik area.

Kebayoran Baru itself, which is where the Mayestik Market is located, was built in the 1940s as a satellite area of Batavia (Jakarta)

in the Dutch colonial era. At that time in Kebayoran Baru there was a cinema with the name Majestic. It is said that that's where the name Pasar Mayestik came from.

Now at Mayestik Market, there are also many home-based food needs, such as vegetables, fruits, meat, chicken, fish, cake ingredients, to medicine and cosmetics, clothing, and tailor's stalls.

Mayestik Market is also a culinary tourism paradise for many traditional snacks, one of which is Elizabeth's cendol. Mayestik Market has undergone a rejuvenation during the administration of DKI Jakarta Governor Fauzi Bowo on June 16, 2012. Quoted from jakarta.go.id, the renovation of Mayestik Market is in collaboration with PT Metroland Permai.

The development/rejuvenation program and the inauguration of traditional markets have become of strategic importance for DKI Jakarta, in this case PD Pasar Jaya because traditional markets have been known to be slum, dirty, disorderly, and uncomfortable places.

Prior to the renovation, Pasar Mayestik had an area of 8,675 square meters consisting of 7 floors with two basement floors. This market can accommodate 2,279 places of business, consisting of 1,618 kiosks, 267 booths, and 394 counters.

By spending Rp 357.7 billion, Pasar Mayestik has now experienced additional floors of up to 10 floors. Of course, equipped with parking facilities, toilets and places of worship, escalators, elevators, sound systems, CCTV, up to 106 alarm systems.



Walking at IFW 2022, TRIPLE carries the Denim of Life theme



TRIPLE, one of the national retail brands that was founded in 1998, will enliven the 2022 Indonesia Fashion Week (IFW) event. As a ready-to-wear (RTW) fashion brand, TRIPLE carries the Denim of Life theme. "This concept carries life in denim or what we call Denim of Life. Like the journey of making jeans that starts from seeds, cotton is eventually forged into jeans," said the designer and main director of the TRIPLE brand, Yudi Ciputra after the appearance of the brand- his. "This collection provides a small overview of the story behind the process of a person's life being put through a lot of uncertainty and pressure," Yudi continued.

For the IFW 2022 show, TRIPLE specifically collaborated with PT Multi Sandang Tamajaya (TAMA MST) to present a stylish, young, and relevant denim collection.

As one of the leading textile companies that was founded in 1999, TAMA MST became a strategic partner for this year's IFW show.

"We helped develop this concept to be easily mass-produced. When this concept was developed we wanted to include TRIPLE distinctive elements and have a stylish and fashionable impression for anyone who wears it," said Suradi Hanam, as President Director of PT Multi Sandang Tamajaya

Since its establishment, TRIPLE has a mission to always provide quality products that always fit in terms of fittings, style, and needs.

Various TRIPLE collections can be found in more than 100 department stores such as Matahari and Ramayana; and also more than 300 local department stores throughout Indonesia.

Imported Goods Rampant TPT Entrepreneurs Complain to the Government

Textile entrepreneurs on the upstream side are stifled by the large number of imported products that have returned to Indonesia through the online marketplace. They also sent a letter to the Minister of Trade Muhammad Lutfi and the Minister of Industry Agus Gumiwang Kartasasmita to pay attention to this matter. "We just sent a letter yesterday to the Minister of Trade and the Minister of Industry, we see online shops have a lot of imported goods, we also check, we try to buy. And it's definitely illegal because the goods don't use Indonesian labels," said the Chairperson of the Fiber and Yarn Producers Association. Filamen (APSyFI), Redma Gita Wirawasta, Wednesday (20/4/22).

Imported textile goods entering Indonesia must wear Indonesian labels, including the manufacturer's name, hang tags, and washing and ironing instructions.

"It (found) in Chinese, Korean, Thai. It must be illegal, it must be checked so that it cannot enter," said Redma.

Based on his search, there are already many such items in the marketplace, even though they should be brought under control. There are concerns from the industry when it has produced from upstream to downstream and downstream has also started to sell, what happens is that local products are brushed off by illegally imported goods.

"This has been done many times, and no action has been taken, only when we say that we will ask for action later. We ask that those who have stalls take action, those who have online shop platforms also take action, because he also sells illegal goods. complaining about the enforcement, after that a week or two more (loosely)," he said.

Based on a letter submitted to the Minister of Trade and received by CNBC Indonesia, APSyFI asked the Minister of Trade Lutfi to protect the domestic market from the circulation of illegal textile products by taking firm action against retailers and marketplaces selling illegal textile products through three stages, namely:

1. Checking Indonesian language labels in accordance with Minister of Trade Regulation No. 25/2021.
2. Checking the SNI label specifically for Baby Clothing products (SNI 7617:2013) in accordance with Law No. /2014 Article 120 paragraphs 1 and 2.
3. Checking of import documents including certificate of origin of goods.

"This year, we really hope that the momentum of the New Academic Year of School Students and the momentum of the Hajj can increase demand. For that we ask the government to maintain consumption at that momentum to be met by domestic

products made from local raw materials," wrote APSyFI's letter to the Minister of Trade Lutfi .

Blocked by restructuring, Pan Brothers (PBRX) Postpones Expansion Plan

Textile manufacturer PT Pan Brothers Tbk. (PBRX) postponed its production capacity expansion plan because it is still undergoing a debt restructuring process. In a recent development, the United States Bankruptcy Court Southern District of New York approved the Chapter 15 order filed by the Pan Brothers. Pan Brothers Corporate Secretary Iswardeni said that this had forced his company to postpone its production capacity expansion plan to 130 million pieces from the previous 117 million pieces. He said the capacity expansion infrastructure was already available. In addition, demand is also high, with the domestic market being enlivened by the Idul Fitri and homecoming momentum. However, this restructuring process still makes it difficult for the company to move.

"[Capacity expansion has been postponed] Next year. The demand is very large, but we can't [speed up production], because the development order is six months at the earliest. So the fourth quarter is the earliest," said Iswardeni when contacted, Thursday (21/4/2022).).

It is understood that approval of the Chapter 15 injunction allows representatives in corporate bankruptcy cases that have been filed outside the United States or also known as "cross-border bankruptcy" to gain access to the US court system.

Clause 2.7 of the Scheme Document Agreement states that approval of the Chapter 15 submission in US Courts is a

condition for the effective date of PBRX restructuring. It also ensures that the restructuring proceeds according to the scheme approved by the Singapore High Court.

Contacted separately, Executive Secretary of the Indonesian Textile Association (API) Rizal Tanzil Rakhman said domestic-oriented businesses are enjoying a surge in demand due to improving economic conditions and driven by the momentum of Eid.

Textile performance in the first quarter and the first compliant this year is projected to grow positively, continuing its expansion in the fourth quarter of 2021.

"I think because the pandemic period will end and people's activities have returned to normal, it will encourage growth," he said.

Throughout last year, the textile and apparel industry recorded a contraction of 4.08 percent year-on-year (YoY). However, in the fourth quarter of 2021, the performance of this sector has been controlled with growth of 5.94 percent


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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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Nigeria is interested in footwear and herbs from Indonesia

EXPERT PERSPECTIVE

Awakening the Economy of Eid



Enny Sri Hartati
 Senior Researcher
 Institute for Development of Economic and Finance
 INDEF

Local Fashion Label Efforts to Return Cotton to Mother Earth

The fashion industry is one of the main contributors to environmental problems, from the production of raw materials to waste from finished products. Not wanting to

be silent, the movement to make the fashion industry greener began to appear sporadically. One of them is voiced by SukkhaCitta, a local fashion label, which was founded in 2016. Denica Riadini, the founder of the label, wants to contribute by bringing back the glory of domestic cotton. "Based on the data, 99 percent of the cotton in Indonesia is imported. Right now it is important for us to be able to return the wealth that Indonesia has because planting mother's cotton is very interesting," he said at a virtual press conference, Friday, April 22, 2022.

After going directly into the field, he realized that there was a long journey from the production of a piece of clothing. He saw how the mothers in the village made clothes made of cotton based on knowledge passed down from generation to generation.

Through her label, she wants to be a bridge between the instant-paced urban society and the women in the village who make cotton clothes. The symbiosis is expected to improve the welfare of the craftsmen while caring for nature.

"I myself never imagined before that there would be a long journey, starting from the garden to the clothes we wear everyday by going to villages to see women making clothes with cotton from a tradition that has been passed down from generation to generation," said Denica.

Betram Flesch, co-founder of SukkhaCitta explained, the process starts from cotton seeds planted in the ground and develops into cotton trees. Cotton is harvested and processed into yarn. Next, threads are woven into cloth before finally making clothes.



"We are happy with the process because that way, clothes that are processed from cotton can return to the ground if they are no longer used. Later, they can be used as food for animals on the ground," he explained.

SukkhaCitta works with a number of women farmers and artisans in the village to grow cotton in an environmentally friendly manner. They apply the principle of intercropping, namely planting cotton with other crops to complement each other.

"So, 20 types of plants are planted together so that they can be in symbiosis. That way, they no longer need chemicals such as pesticides or fertilizers. All of this is beyond organic," he explained.

Based on studies, the symbiosis between plants in one habitat can heal the soil. Farmers no longer need to buy expensive chemicals, and can increase cotton production up to six times.

"That's what Healing Mother Earth means, Healing Ourselves through healing the soil. We live from the earth, if the earth is not healthy, how can we want to be healthy?" said Denica.

The journey of cotton into cloth was exhibited through the exhibition Cotton: Healing Mother Earth, Healing Ourselves which was held from April 15 to May 15, 2022 at Ashta 8. Through this exhibition, the public

was educated about the good and bad of the fashion industry.



The Price of This Commodity Flies 9.26%, Indonesia Is Getting Richer!

The boycott of Russian coal by the European Union and Japan made the price of black gold soar throughout this week. The benchmark coal price of Newcastle (Australia) closed at US\$ 349.75/ton, up 9.26% compared to the previous week. This is an increase for the third week in a row. The beginning of the week opened with world coal prices moving flat at the level of US\$ 319/ton. But it heats up on the second day of the week. On Tuesday (19/4/2022) world coal prices shot up 4.97% compared to the previous position. Then, it rose 2.86% and 3.54% in the next two trading days.

The reason for the soaring coal price is still the tight supply. After the European Union and Japan banned coal imports from Russia, the coal market became very tight as the imbalance between supply and demand widened.

Not to mention, more and more countries are shifting their energy sources to coal in line with the surge in gas prices. This step was

taken by countries in the Balkan region such as North Macedonia. The reason is, even though the price has soared, the price of coal is still cheaper than gas.

Soaring coal prices have forced a number of countries to look for cheaper suppliers. Pakistan, which has been depending on coal supplies from South Africa, is now looking for cheaper suppliers because coal from South Africa is becoming more expensive.

Apart from logistical problems, South African coal prices have become expensive because of the social unrest that has been going on since last year. Referring to S&P Global, South African coal prices jumped 156.35% from US\$ 107.45/ton in early January to US\$ 275.45/ton on April 20.

S&P Global Commodity Insights reports that Pakistan is using Mozambique, Tajikistan and Indonesia as their alternative suppliers of coal. Coal imports from South Africa fell 32% (year on year/YoY) last year. Meanwhile, imports from Indonesia soared by 55%. "Many of the textile entrepreneurs are diverting their factory energy sources to coal," said one Pakistani entrepreneur, as quoted by S&P Global.

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coal," said one Pakistani entrepreneur, as quoted by S&P Global.

Pakistan is even now threatened with an electricity crisis due to a lack of coal supply. Previously, Vietnam also faced a similar problem because of the high price of coal. If Pakistan is looking for alternative suppliers, a number of countries such as China and India have actually increased their coal imports from Russia to get cheaper supplies.

India's coal imports from Russia totaled 1.08 million tonnes in March 2022, more than double what was recorded in February. China imported 1.4 million tons of cooking coal from Russia in March, a drastic jump compared to that recorded in February 2022 (1.1 million tons) or March 2021 (550,000 tons).

China's coal production did increase 14.8% yoy in March to 395.79 million tons. They also target coal production of 12 million per day. However, China's low-quality coal is not suitable for steel smelting. The Bamboo Curtain country still relies heavily on imports for their metallurgical coal.

Indonesia is quite benefited from the high price of coal, because it can boost foreign exchange from the value of exports. Based on BP Statistical Review 2021 data, Indonesia is the owner of the seventh largest coal reserves in the world, reaching 34.87 billion tons, the status is until the end of 2020. Based on data from the Geological Agency of the Ministry of Energy and Mineral Resources (ESDM), the status as of July 2020, the number of Indonesia's coal resources reach 148.7 billion tons and reserves of 39.56 billion tons.

Many Textile Exports to Ukraine, This is the Fate of Local Entrepreneurs

The protracted war caused a decline in Indonesia's exports to Ukraine. The Central Statistics Agency (BPS) noted that last month, Indonesia did not record any shipments to the European Bread Basket. One of Indonesia's largest export commodities to Ukraine is footwear, which was recorded at zero in March 2022. In the previous two months, footwear exports to Ukraine were US\$600,000 each. However, the Executive Director of the Indonesian Footwear Association (Aprisindo) Firman Bakrie believes that overall footwear exports will continue to grow in the first quarter of 2022. This can be seen from the export growth trend in January and February 2022 where the numbers reached double digits.

"In January [exports] we grew 34 percent, in February it grew 29 percent, and the accumulation year-on-year was 32.1 percent. I don't think it will change much until March-April 2022, even if it drops to around 25 percent it's still very high," said Firman, Monday (4/25/2022).

He also continued, for export-oriented production, orders until May to June 2022 are already in hand. The same thing was also shown at the beginning of the pandemic period in 2020 where orders until the first half of the year had been secured so that the utility of production capacity could be maintained.

"In 2020 and 2021 our exports will continue to grow, one of the factors is competitiveness. Despite the Covid pandemic and the war in Russia and Ukraine, we are still optimistic about the commitment of buyers and how we can seize the markets of our competitors," he said.

Over the past year, footwear exports grew by around 27 percent to around US\$6 billion. By 2024, exports are targeted to reach US\$ 10 billion. This year, export growth is projected to at least match last year's realization.

In addition to footwear, the leading export commodities to Ukraine were zero last month, namely animal/vegetable fats and oils, and paper/cardboard.

During the first quarter of 2022, Indonesia's total exports to Ukraine amounted to US\$28.7 million. On a year-on-year basis, this achievement was corrected by 73.6 percent.

Meanwhile, according to records from the Ministry of Industry, the leather, leather goods and footwear industry experienced a 33.42 percent growth in production volume from 793.8 million pairs in 2020 to 1.05 billion pairs in 2021. This year, Firman projects the production volume will return to its pre-pandemic position at 1.2 billion pairs.

After Lebaran School Face-to-face, Textile Industry Moment



The textile industry was positively impacted by demand during Ramadan and ahead of this year's Eid. The Ministry of Industry predicts growth of 3.5 percent in the first semester of 2022. However, business actors ask the government to defend this demand from attacks by illegally imported products.

General Chairperson of the Fiber and Filament Yarn Producers Association (APSyFI) Redma Gita Wirawasta said that the demand for textile products ahead of Idul Fitri is estimated to soar up to 70 percent from the previous month. "So, the current position of the goods is in retail. We estimate that retail demand will increase by 60–70 percent from the previous month," he said.

Redma explained, the request helped boost the utilization of the domestic textile industry. Especially the upstream side. "On the upstream side, from February to March there has been a 20–15 percent increase in utilization," he added.

Redma hopes that the momentum of increasing demand will not be disrupted by the onslaught of imported products entering the marketplace. "There are concerns from the industry when it has produced from upstream to downstream. Then, downstream has been selling. What happened was that local products were brushed off by illegally imported goods," he explained.

According to Redma, his party has sent a letter to the Minister of Trade (Mendag) Muhammad Lutfi and the Minister of Industry (Menperin) Agus Gumiwang Kartasasmita to pay attention to this matter. "We ask for discipline and strict action. Both the pelapak and online platforms that facilitate the sale of illegal goods," he said.

Chairman of the Indonesian Textile Association (API) Jemmy Kartiwa Sastraatmaja added that demand for the textile industry increased 30 percent in Ramadan 2022 compared to last year. "The increase mainly occurred in the apparel sector. Both industrial scale and small and medium industries (IKM)," he said.

Meanwhile, the Ministry of Industry projects the textile and textile product (TPT) industry to grow 3.5 percent in the first semester of 2022, driven by the Eid and the opening of homecoming.

The Director of Textiles, Leather and Footwear at the Ministry of Industry, Elis Masitoh, said that after Lebaran, TPT also had the opportunity to continue its growth with the new academic year and the start of 100 percent face-to-face learning activities.

"Looking at the increasing export conditions, the start of community activities and the moment of preparation for Eid, our growth projection is 3.5 percent until the second quarter of 2022," he said.

Throughout last year, the textile and apparel industry recorded a contraction of 4.08 percent year-on-year (YoY). However, in the fourth quarter of 2021, the sector's performance has been controlled with growth of 5.94 percent.

Trisula Textile (BELL) Optimistic of Sales This Year Up 8%

Textile and garment issuer PT Trisula Textile Industries Tbk. (BELL) targets this year's sales and profit growth before tax of 8% compared to 2021. On the occasion of the public exposure, which was held virtually, Director of BELL R Nurwulan Kusumawati said that her party this year is optimistic that it will print a better performance. This has been felt since 2021 which is considered to be a moment of increasing performance for BELL through retail clothing brands JOBB and Nicklaus. JOBB is a local product brand owned by BELL itself, which consists of suits, formal pants, casual clothes, shirts, and so on. Then, there is also a licensed brand Jack Nicklaus which is more focused on producing casual clothes.

"Regarding the capex, we previously planned to allocate Rp 15 billion to Rp 16 billion. This is focused on restructuring machinery, as was done the previous year," he explained, Thursday (27/4).

He continued, the value of this capital expenditure or capex will continue to be adjusted based on future conditions and the economy. He admitted that he was still carrying out efficiency measures to continue to innovate his products.

This efficiency measure is one of the things that supports BELL's performance throughout 2021. His party reaped a 20.46% decrease in sales or at Rp. 428.2 billion from Rp. 538.2 billion. On the other hand, his party managed to reverse the loss position into profit attributable to the parent to Rp2.28 billion, from a net loss of Rp15.5 billion.

It also succeeded in expanding local products in the international market, with an increase in export sales of 40.9%.

"For exports, we will continue to cooperate with finished garments and establish relationships with existing customers to create new product innovations," added BELL's President Director, Karsono Wongso Djaja.

He continued, his party mostly exports to China and India. Regarding the country's expansion, his party stated that this year's export point had not changed, but admitted that it had added new customers from several countries.

Apart from China and India, the countries that are targeted for export are Singapore, Malaysia, Thailand, Japan, Bangladesh, Saudi Arabia, England and Costa Rica.

"At this time of Eid this year, we believe that we will contribute to sales. In the first quarter of 2022 there will be an effect from the fourth quarter of 2021 on price increases and the scarcity of raw material prices. In the second quarter and throughout the second semester of 2022, we believe that we will experience strengthening both in sales and performance. overall," he said.

KPPI Investigate Cases of Spike in Fabric Imports to Domestic Textile Losses



The recent surge in cloth imports has prompted the Indonesian Trade Security Committee (KPPI) to begin an investigation into the extension of safety measures. "From the initial evidence of the request for an extension of the investigation submitted by API, KPPI obtained the fact that there was a surge in the number of imports of cloth products and serious losses or threats of serious losses suffered by the applicant," said KPPI Chairman Mardjoko, Wednesday (27/4/2022). The investigation was carried out after a request for an extension of the investigation submitted by the Indonesian Textile Association (API) representing producers producing domestic fabric products was submitted last week.

The investigation into the import of these fabrics includes 107 8-digit Harmonized System (HS) numbers, according to the 2017 Indonesian Customs Tariff Book (BTKI).

Of the 107 HS numbers divided into five segments of goods under investigation, namely woven fabrics from cotton; woven fabrics of synthetic and artificial staple fibres; woven fabrics of synthetic and artificial filament yarns; special woven and embroidered fabrics; and knitted fabrics.

He also added that this can be seen from several indicators of the performance of the domestic industry which have deteriorated during the 2019-2021 period.

These indicators include continuous financial losses caused by declining domestic production and sales volumes; an increase in ending inventory due to an increase in the number of unsold goods; decreased productivity; decreased capacity used; reduced number of workers; as well as the declining market share of applicants in the domestic market.

Currently, the API still needs additional time to optimally complete the previously promised structural adjustment program.

Quoting from data from the Central Statistics Agency during the period 2019-2021, there has been a decline in the number of imports of fabric products with a trend of 21.56 percent.

In 2019-2020, there was a decline in the number of imports by 42.58 percent. However, in 2020-2021, there will be an increase in the number of imports by 7.16 percent.

Most of Indonesia's cloth imports come from China, South Korea, Vietnam, Hong Kong, Taiwan, and Malaysia.

The largest number of cloth imports came from China with an import share of 48.87 percent in 2021, followed by South Korea 12.99 percent, Vietnam 9.98 percent, Hong Kong 9.45 percent, Taiwan 7.03 percent, and Malaysia 5.58 percent.

In this regard, KPPI invites all interested parties to register themselves as interested parties no later than 15 days from the date of this announcement.

Also submitted in writing to the KPPI Ministry of Trade of the Republic of Indonesia at Jalan MI Ridwan Rais number 5, Building I, 5th Floor, Jakarta 10110. Or you can contact telephone (021) 3857758 and e-mail kppei@kemendag.go.id



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