



Rassegna stampa, WWD (18/02/2020)

FASHION

Milano Unica Feels Coronavirus, Australian Bushfires Pinch

- In response to global economic uncertainties, exhibitors upped the ante on sustainability, performance and stretch fabrics.

BY MARTINO CARRERA

MILAN – The mood was uncharacteristically gloomy at the latest edition of textile trade show **Milano Unica**, which closed here last week registering a 2 percent contraction in the number of visitors compared to the same edition in 2019.

Textile entrepreneurs voiced their concerns over the coronavirus outbreak that could potentially impact sales of end products and consequently fabrics and the Australian bushfires and drought conditions that are expected to damage the quality of wool, especially in the second half of the year.

According to preliminary figures released by Confindustria Moda, the textile sector is expected to post a 4.7 percent contraction in sales to 7.57 billion euros in 2019 impacted by a flat internal expenditure and decreased exports, down 3.8 percent. “We’re not kicking off the new year enthusiastically as we do not expect better perspectives in 2020,” said Ercole Botto Poala, the outgoing president of the textile trade show. During the inaugural ceremony it was revealed Alessandro Barberis Canonico, chief executive officer of the namesake textile firm, will succeed Botto Poala in the role.

“The Australian fires and coronavirus emergency are both linked to environmental and social sustainability issues,” continued Botto Poala, urging the industry to start assessing its effort rather than just marketing them. “If we fail in producing sustainably our products would not align with customers’ needs.”

Marino Vago, president of Sistema Moda Italia, the association gathering Italian fashion businesses, believes “modern

customers are willing to absorb the costs of sustainability, they know low-priced fashion items can cause damages to the planet.”

“It’s no longer a matter of compliance to regulations nor just a marketing move, but it’s not easy to telegraph the added value sustainability can bring to the supply chain,” explained Carlo

Maria Ferro, president of ICE, Italy’s trade agency. The institution pledged 31 million euros in 2019 to help the fashion and textile businesses up the ante on traceability and eco-friendly practices.

In 2019 exports of textile products held momentum with the U.S. up 3.1 percent, France up 2.2 percent and Japan up 8.5 percent. Other countries contributed to declining sales, including Germany, down 15.3 percent, and China and Hong Kong, which saw a 6.5 percent and 19.2 percent drop, respectively, the latter impacted by the protests that affected the city throughout 2019.

“We’re vulnerable to such crisis as the Australian bushfires and the coronavirus outbreak. Italy is a commerce-dependent country, but this situation should strengthen our conviction that we need to be open and that protectionist models would push us out of the market,” noted Ivan Scalfarotto, deputy minister of foreign affairs and international cooperation.

The 477 exhibitors were vocal and outspoken in sharing their concerns for the global economic instability, which they are trying to overcome by enhancing their commitment toward sustainability, performance and specialization – all common traits in the spring 2021 textile collections presented at the trade show.

“It’s hard to tell now what kind of impact the situation in China will have on the business,” said Giorgio Todesco, ceo of the Marzotto Wool Manufacturing company, which operates the Marzotto, Fratelli Tallia di Delfino and Guabello textile firms.

“The Australian wool production was already down 8 to 10 percent in 2019,

showing a worse quality and thinner yarns, but we are continuing to buy and stock the material,” he said, noting partnerships with local farmers have been instrumental especially in guaranteeing the authenticity of the firm’s certifications on sustainability and animal welfare.

To this end, for the spring 2021 collection, the Marzotto brand presented its Organic Project range of wools, linen and wool-linen and wool-cotton blends that boasts the GOTS, Responsible Wool Standard and Authentico certifications, the latter assessing the traceability of yarns and fabrics from farm to weaver. The textile firm also teased a new range of fabrics blending

at least 50 percent of wool or linen with Lenzing’s Tencel, the eco-friendly material derived from the eucalyptus plant and treated with sustainable chemicals.

In 2019 the group’s sales saw a high-single-digit contraction compared to the 244 million euros in revenues in 2018, but the executive said he looks forward to the second half of 2020 for recovery. Todesco noted the company held momentum in Japan and South Korea despite uncertainties, while the U.S. and Europe registered a slowdown. In the former country especially, where the company has a few big clients, “soaring prices for raw materials and the streetwear trend led to a reduction of orders.”

Silvio Botto Poala, ceo of storied wool mill Botto Giuseppe, was worried about the impact the health emergency might have on both luxury sales – thus affecting the performance of the company’s high-end offering – and direct sales of textile to China as the country represents the firm’s third most important market after Italy and the U.S.

On the other end, Botto Poala forecast the negative outcomes of the Australian severe drought conditions to emerge between April and May and expects them to affect the yarns quality, resistance and fineness. “Luckily enough, the farms we work with have not been affected but we know those on Kangaroo Island were destroyed,” Botto Poala said.

For next spring, the firm continued to bank on its hero products including the Naturalis Fibra collection, to which it added the Slowstretch range of wools elasticized using a biodegradable polymer by Japanese company Asahi Kasei.

In 2019, Botto Giuseppe posted sales of 64 million euros, in line with the previous year thanks to a varied offering, which includes knitwear yarns and jerseys, all assessed according to the RWS certification. “We’re small and nimble, that’s our strength. We can absorb the ups and downs each category might face,” the ceo said.

Despite its agile and highly specialized business, Luca Trabaldo, president of the Trabaldo Togna, which over the past seasons has been banking on its Estrato collection of naturally elasticized fabrics unveiled in 1998, said he’s “not at all optimistic. As an outward realist I keep banking on research doubling down on the collection’s development.” In 2019,



the textile company saw sales increasing in the first half, but significantly slowing down in the second part of the year.

In keeping with the expansion of the Estrato collection, Trabaldo took pride in the fabrics' quality and diversification the company has achieved. For spring the firm added products, including 21-micron wools crafted from sustainable and traceable Nativa yarns and doubles matching wool with a special water-resistant membrane giving the fabrics a rubbery effect. "The project of naturally elasticized textiles is really modern and I will do whatever I can to be at the forefront of this trend," Trabaldo said.

Trabaldo expressed various concerns on a macroeconomic level, including a preoccupation for the Australian bushfires. "We've been dealing with drought conditions for years now, but the most recent bushfires caused a real shock," he said.

At Reda Group, the company's ceo Botto Poala shared similar concerns for the Australian situation and for China, which represents the firm's fourth market and 10 percent of the company's sales. He said wool prices would soar only if the Asian country overcomes the current crisis and gets back to business, but shared even worse thoughts on Germany's protectionist measures, which could cast a shadow on business in 2020. The European country is Reda's first market, followed by the U.S. and Japan.

"I think in two months' time we'll see the impact of all these situations," he said. "The slowdown the industry is facing pushes us to take time and reflect on the changes the sector should make," Botto Poala added, noting customers are touched by these crises, too.

For spring, the Reda 1865 premium label introduced the Woolness lineup of naturally stretch and breathable fabrics treated in high-temperature environments and washed with natural soaps to deliver a tactile, 3-D effect for blazers and suits. In keeping with a focus on stretch fabrics, a ubiquitous trend among textile firms, the Reda Flexo brand unveiled a sustainable bi-stretch fabric that employs the Roica V550 polymer, which biodegrades without releasing harmful substances.

Less affected by the instability connected with woolen yarns coming from the Australian farms, cotton specialist Albini Group is equally feeling the pressure of competition and largely investing in innovation aiming to keep its relevance in today's scenario.

To this end, the firm hosted last year its first Albini Next think tank initiative, which provided a fruit-and-vegetable-based dyeing solution that the firm is aiming to industrialize; a circular economy approach to turn production's leftovers into paper and a collaboration with One 3D to develop QR-based smart tags offering information on fabrics.

Product-wise, the cotton specialist expanded its Hemotion range of Australia-

sourced traceable and sustainable wools weaved using cotton machines and treated with the Superwash finishing to obtain natural stretch, machine-washable and wrinkle-free fabrics. For the Albiato 1830 brand it partnered with Fulgar, employing the firm's Q-Nova yarns coming from recycled nylon repurposed through mechanical processes and Evo nylon 10.10 made of India-sourced castor oil. In keeping with the performance trend, the 4Flex four-way stretch fabric was worked for blazers and comfortable shirts.

"Market uncertainties and international tensions do not discourage us, on the contrary they represent an incentive to enhance our products that express creativity, authenticity and quality," noted Stefano Albini, the group's president, saying he's cautiously optimistic.

In 2019 the group registered a 6 percent decrease in consolidated revenues to 142 million euros, but the president stressed it's been among the best performance in the past decade. Dented by "profound transformations undergoing in the premium and luxury segments," influenced by geopolitical tensions, Albini said with 70 percent of revenues coming from exports, the U.S. and Japan picked up last year counterbalancing a slowdown in the EMEA region.

"For sure [in 2020] we will be indirectly hit by the coronavirus crisis...it's important that the emergency comes to an end," he said noting the country, generates only 2 percent of the company's turnover.

Como-based silk specialist Canepa is harvesting the fruits of the restructuring plan founder Michele Canepa started to set in motion when, along with fellow investor Maurizio Ceriani, he fully acquired the company from former owner DeA Capital Alternative Funds SGR last year. As part of its composition with creditors plan kicked off last summer, Canepa obtained the green light from 80 percent of its creditors in December, easing the restructuring process.

"We interrupted the decrease of volumes and sales and we're consolidating to get back to growth. I expect this month to return to profitability with the printing department and my goal is to see breakeven by the end of 2020," said Canepa. As part of the plan the silk specialist is opening a revamped weaving room at its San Fermo della Battaglia site and enhance its control management to increase efficiency and reduce its time to market. In 2019, the company had sales in the region of 40 million euros.

The executive is committed to gain back the U.S. market, which had been hit by the "confusion" prior to Canepa's return at the company. To this end the firm is expanding its collections: Silk came in a range of geometric motifs, often peppered by golden details and see-through effects. GOTS certified cottons played an important role in its collections: Silk came in a range of geometric motifs, often peppered by golden details and see-through effects. GOTS certified cottons played an important role

in the spring 2021 collections, with a lineup inspired by signature African and wax prints rendered in flamboyant colors.

As part of the restructuring plan Canepa also raised the sustainability bar higher, securing the Serico certification, which guarantees no harmful chemicals included in the Manufacturing Restricted Substances are employed and the Global Recycled Standard validation for wools and polyester.

Although it does not directly trade with China, Canepa argued the coronavirus outbreak's impact on the luxury sales could extend to the silk manufacturer. In the Far East region, Japan and South Korea represent the company's most relevant markets.

Andrea Crespi, managing director of Italian high-performance fabrics' company Eurojersey – which counts Burberry, Chiara Boni, Paul Smith and Herno among its premium clients – said both the luxury and mass markets will be impacted by the coronavirus crisis, especially given production for the latter segment has been delocalized.

Innovation is key to the man-made fabrics specialist, which is banking on sustainability as part of the company's value set. "Skilled marketing experts can invent plenty of ways to promote green efforts, but at the end of the day what really matters is assessing your moves," said Crespi.

The company adhered last year to the Product Environmental Footprint program and was able to provide information on the water, energy and carbon footprints for each technique, for example, the environmental impact of eco-printed fabrics amounts to 7,550 liters of water and 3,69 kilograms of carbon dioxide.

"We want to create culture within the supply chain and align with our clients' needs," Crespi stressed, noting the firm's research and development goes toward durable and multitasking products.

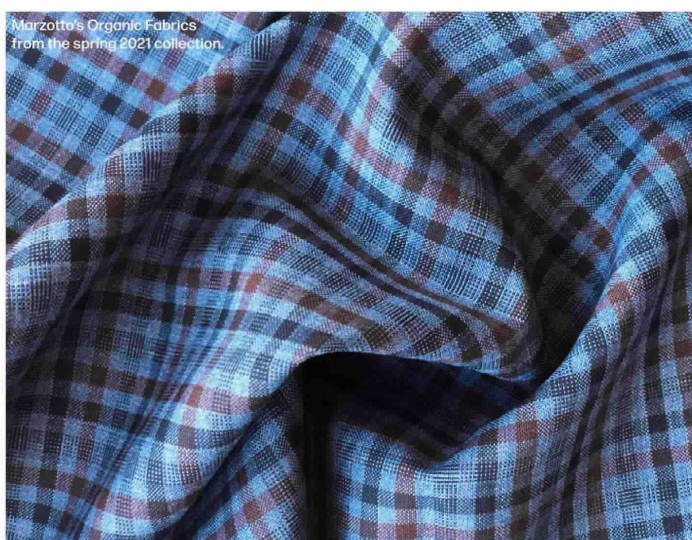
In 2019 Eurojersey's sales were substantially in line with the previous year, amounting to 74 million euros. Exports represent the main sales driver especially to Northern European countries and the U.S.

In keeping with its commitment to grow the ready-to-wear category, its patented Sensitive Fabrics were applied to a number of fashion projects, including paisley men's shirts weighing only 112 grams and trompe l'oeil 3D-printed denim trenchcoats.

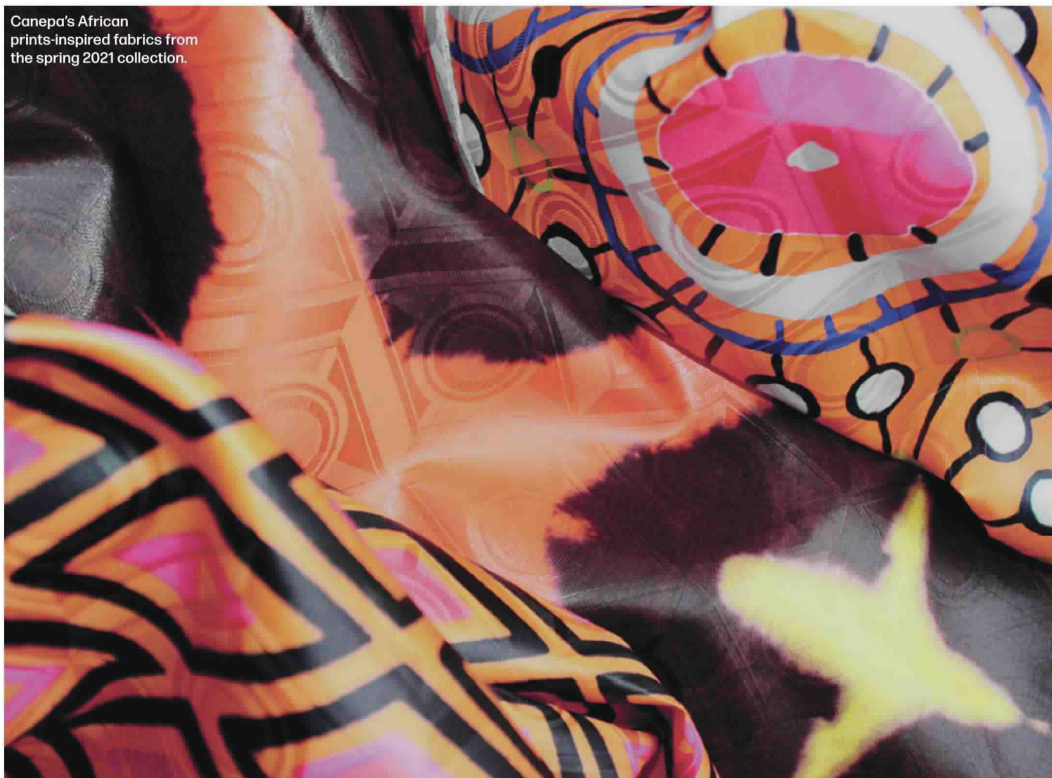
The next edition of [Milano Unica](https://www.milanounica.it) will be held July 7 to 9 at the Milano-Rho fairground. ■



The scene at the 30th edition of the Milano Unica textile trade show.



Marzotto's Organic Fabrics
from the spring 2021 collection.



Canepa's African prints-inspired fabrics from the spring 2021 collection.



Botto Giuseppe's naturally elasticized cashmere from the spring 2021 collection.



Eurojersey's patented Sensitive Fabrics with paisley prints from the spring 2021 collection.