

Complete Clothing Industry Chain enables PFGHL to stay strong in the downturn of the textile market

Since the outbreak and the continued spread of COVID-19, global textile production and orders have been declining, as well as retail sales market has showed a rapid decrease, which may continue such a downturn trend for a long period of time. From January to April 2020, the total exports of Chinese textiles and apparel market is about US\$70.139 billion, with a year-on-year decrease of 10.49%. At this stage, the decline in Chinese textile and apparel exports is basically the same as that in 2009 following the financial crisis, and the entire industry will continue to be in a difficult situation in the future.

The sharp decrease in consumer demand in the international apparel market directly influences the product structure of Chinese textile and apparel export trade. Although some European countries have gradually deregulate the lockdown policies and the global supply chain seems to show the recovery sign, the negative implication on the industrial chain are inevitable eventually. Since 2020, Chinese textile and apparel exports have shown an obvious "increase in spinning and decline in apparel", and the proportion of apparel exports has fallen below 50% for the first time in many years.

It is undeniable that the reversal of epidemic may have unpredictable potential implication on the textile industry. Throughout the early stage of the COVID-19, most manufacturing enterprises have to shut

down. Maintaining economic stability has become the top priority of China and the textile industry. At the same time, enterprises should provide basic living guarantees for workers who have lost their sources of income, so as to weaken the impact of the epidemic. At the beginning of the return working, all walks of life speed-up in the recovery of production and construction to get the economic and social order back to normal. However, there are still some major countries and regions around the world where the epidemic situation has not been effectively controlled. Various barriers are gradually being increased between countries, and return-to-work enterprises shall face new problems and challenges.

As the world's second largest economy, China's foreign trade industry is developing rapidly, but under the impact of the global epidemic, foreign trade orders have suddenly declined or even canceled, and many foreign trade-oriented enterprises are in a difficult situation. For enterprises, there is no profit without the demanding market, which means facing the embarrassing situation of "return-to-work brings the loss", they have even to face bankrupt when they return to work.

Faced with the continuing downturn in the global economy and the dilemma of corporate survival, how should major companies in the apparel industry to make smart decisions and pave the way for their survival and following development under the macro-environment? In this regard, the author came to Nanchong Fashion Foundation Manufacturing to conduct a field investigation.

As a sub-factory of PFGHL group, an international apparel production group in Hong Kong, Fashion Foundation Manufacturing's own complete industry chain has played a significant role under this epidemic. It covers the sectors from raw materials, processing, production to sales marketing, which makes it possible for companies to control every involved part of the apparel trade in the face of the difficulties of the global economic downturn and avoid excessive implication from the related industries. At the same time, with the solid strength over the years and the ability to cope with challenges, PFGHL has been able to adjust their strategies during the challenging time, returning to work successfully, and developing in a stable and orderly way. When the market restarts, the complete supply chain could provide customers with the products and services in a short time.



The environmental protection and energy-saving clothing industrial park built by PFGHL Group in Yilong County, Nanchong, covers an area of more than 16,473 acres, including an organic silkworm and mulberry base, an organic clothing production base, and industrial land.

It is intended to build a complete industrial chain comprising mulberry planting and silkworm breeding,

silk reeling and weaving, printing and dyeing processing, and foreign trade. PFGHL Group has always been committed to provide customers with a one-stop service from mulberry cultivation, silkworms raising, silk reeling, weaving, whitening, printing, dyeing, and garment manufacturing, to the export of final products, which has promoted the diversification of the sericulture industry.

In this perspective, the company's internal production operation mode and hard power are the most important factors in the survival of adversity. During the epidemic, could we maintain sufficient and stable shipments of raw materials? Can we ensure the successful return of employees? Can we keep the production line runs stable without loopholes? With the challenges of survival, the best way for enterprises is to further improve their own industrial chain to cope with the challenges of all parties along the way.

Under the influence of global integration, even the slightest changes in the global economy may have an impact on the industry. Therefore, we must strengthen our own advantages, combining with the economic and market analytics, make in-time strategic adjustment to the new environment, and prepare for various possible changes, so that we could survive in a dangerous situation.