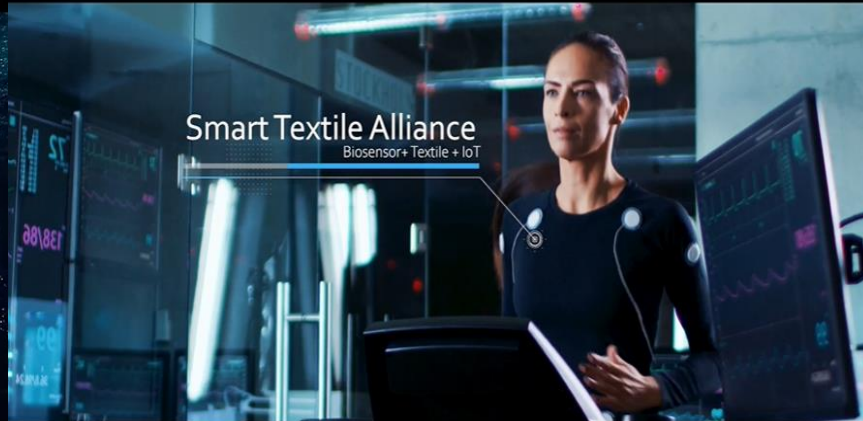




# INNOVATION OF TAIWAN'S TEXTILE INDUSTRY & COOPERATION BETWEEN JAPAN AND TAIWAN

REPORTER: JUDY YANG, TTF | DATE: AUGUST 28, 2024



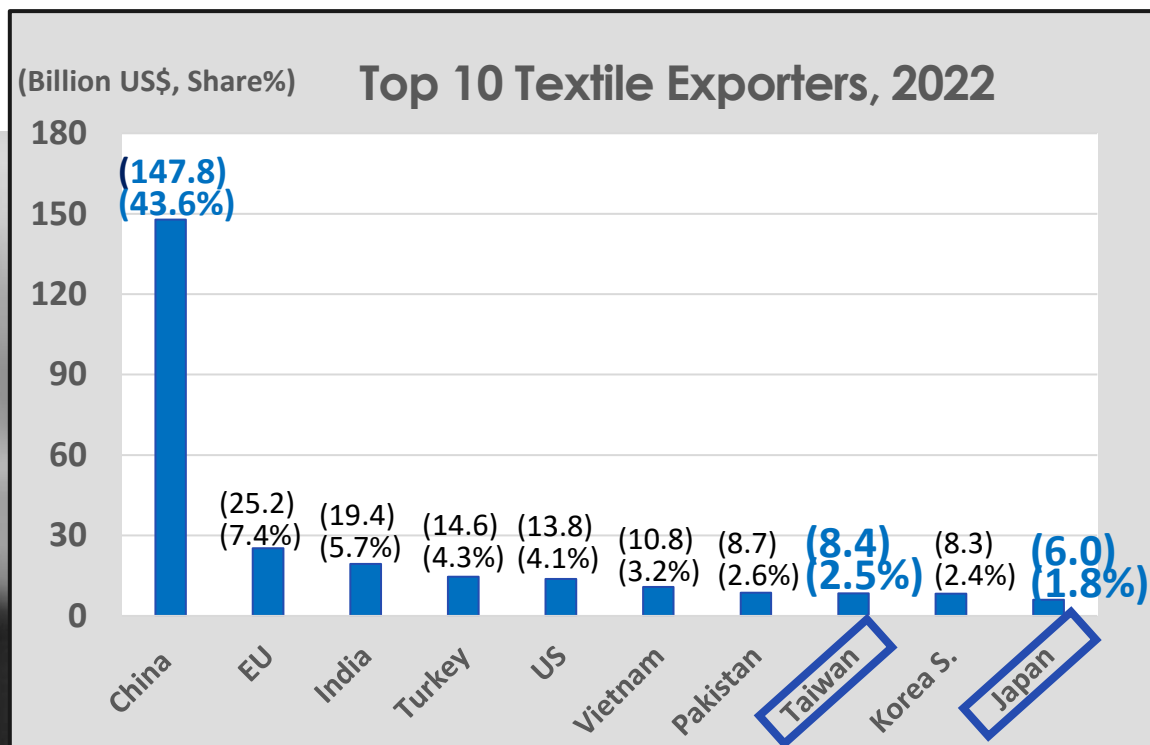


# 01

# GLOBAL TEXTILE AND CLOTHING TRADE SITUATION

# GLOBAL TEXTILE TRADE

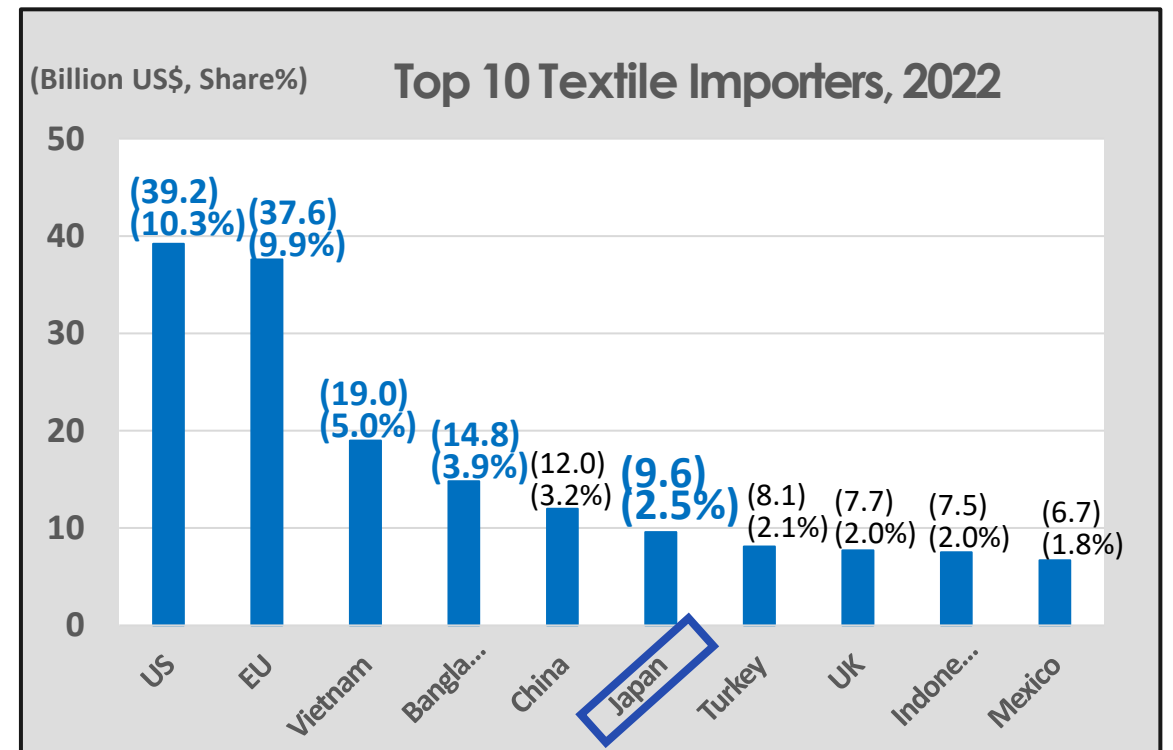
- NO 8: Taiwan with US\$8.4 billion (2.5%)
- NO10: Japan with US\$6.0 billion (1.8%)
- China ranked first, its share increased to 43.6%



Source: World Trade Statistical Review 2023, WTO

# JAPAN AND TAIWAN BOTH PLAY IMPORTANT ROLES IN THE GLOBAL TEXTILE TRADE

- NO 6: Japan with US\$9.6 billion (2.5%)
- The top two were the US and EU
- Vietnam and Bangladesh ranked third & fourth



# GLOBAL CLOTHING TRADE

- China ranked first, accounting for 31.7%
- Bangladesh jumped to the second
- The EU ranked third; Vietnam ranked fourth



Source: World Trade Statistical Review 2023, WTO

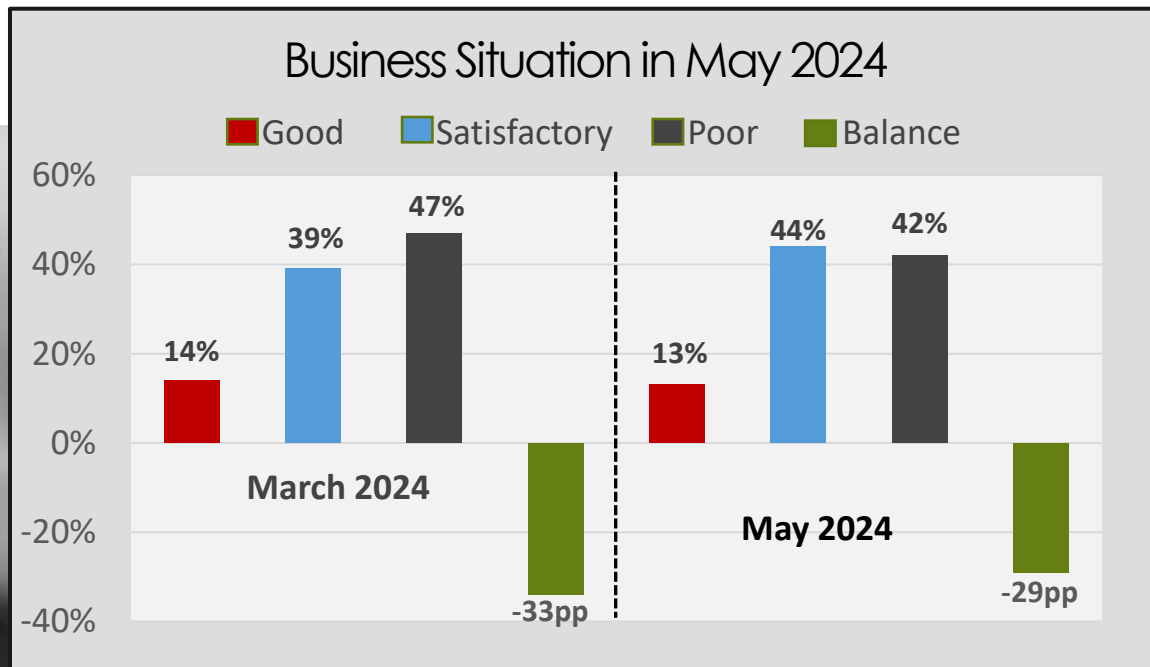
## FOLLOWED BY THE US AND EU, JAPAN IS THE THIRD LARGEST IMPORTER OF CLOTHING

- NO 3: Japan with US\$ 27.1 billion (4.5%)
- The top two were the US and EU (total 37.6%)
- Taiwan only ranked 22nd



# BUSINESS EXPECTATION

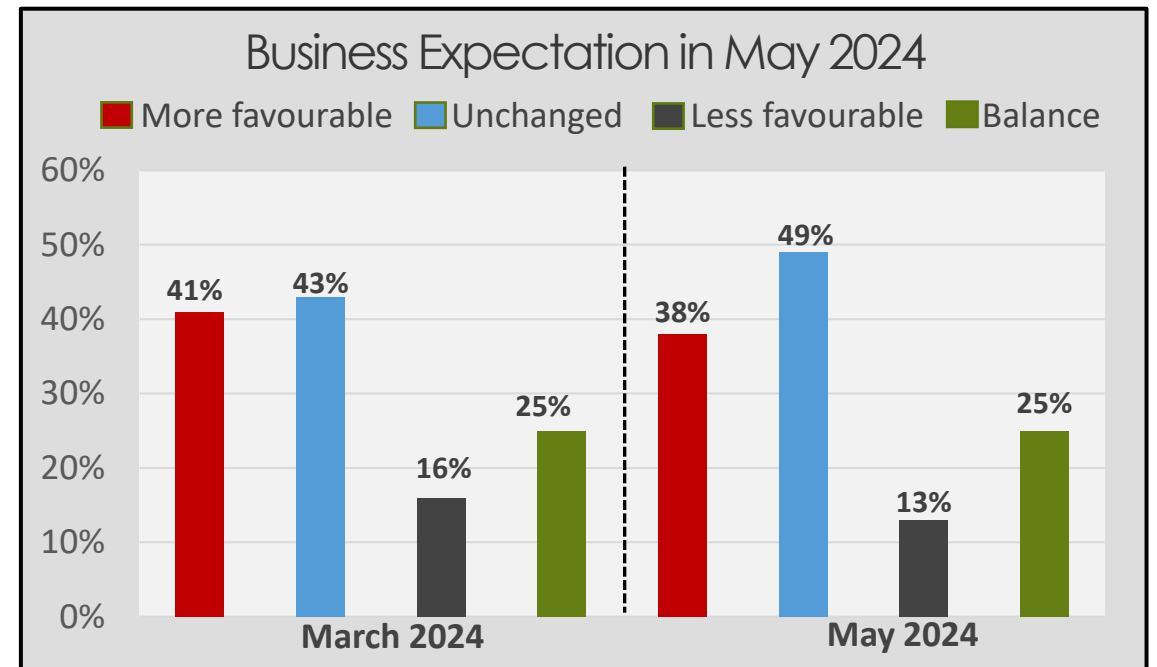
- Average 42% of survey participants judged their business situation as poor
- Only 13% perceived it as good



Source: 26th ITMF Global Textile Industry Survey (2024.6)

# THE GLOBAL TEXTILE VALUE CHAIN FINDS ITSELF IN AN UNUSUALLY LONG PHASE OF WEAKNESS

- Average 38% of survey companies expect business to be more favourable in six months
- 13% anticipate a less favourable business





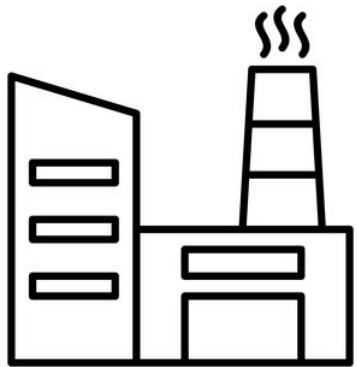
# 02

# INTRODUCTION OF TAIWAN'S TEXTILE INDUSTRY

# CURRENT SITUATION

## FOCUSING ON THE UPPER- AND MID-STREAM SECTORS SUCH AS YARN & FABRIC

- Standing out for vertical integration, sustainability and innovation
- Taiwanese textile manufacturers have become strategic partners for many international brands
- Vendors in the lower-stream are mostly located overseas to serve their clients around the world



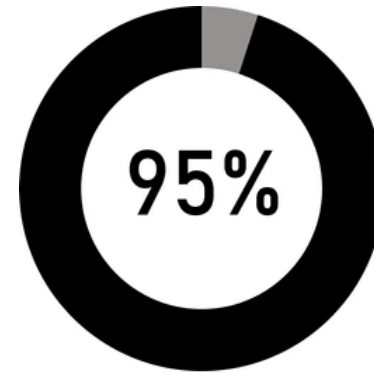
**4,200**

factories engaged in textile and garment manufacturing in Taiwan



**120,000**

employees including migrant workers



**95%**

upper- and mid-stream sectors contributing 95% of total production value



**NO. 3**

production volume of polyester filament and nylon filament in the world

# GLOBALIZATION

## VIETNAM HAS SURPASSED CHINA TO BECOME THE LARGEST OVERSEAS INVESTMENT DESTINATION



- Actively engaged in global deployment
- Strategically established an extensive overseas manufacturing network
- Effectively supply to clients primarily in Europe and North America

Domestic Production (2023)  
NT\$320 Billion (US\$ 10.2 Billion)

Overseas Production (Estimated)  
NT\$940 Billion (US\$ 29.8 Billion)

Total US\$ 40 Billion

# TEXTILE EXPORTS

## VIETNAM WAS THE LARGEST EXPORT MARKET; THE LARGEST EXPORT CATEGORY WAS FABRIC

- Vietnam was the largest export market since 2015, accounting for 26% in 2023
- China ranked second; Japan was the 6th largest export market (accounting for 4%)

Market	Export Value (US\$ Billion)				
	2021	2022	2023	Change	Share
1. Vietnam	2.31	2.36	1.74	-26.5%	26.2%
2. China	1.48	1.26	0.93	-26.4%	14.0%
3. USA	0.82	0.79	0.60	-24.8%	9.0%
4. Indonesia	0.46	0.54	0.41	-24.2%	6.2%
5. Cambodia	0.45	0.43	0.29	-32.1%	4.4%
6. Japan	0.34	0.33	0.28	-14.1%	4.2%
<b>World</b>	<b>9.02</b>	<b>8.84</b>	<b>6.63</b>	<b>-25.0%</b>	<b>100 %</b>

- The largest export category was fabric, accounting for 71%
- Upstream and midstream product exports account for 90% of total exports

Category	Export Value (US\$ Billion)				
	2021	2022	2023	Change	Share
1. Fiber	0.51	0.44	0.39	-11.4%	5.9%
2. Yarn	1.28	1.16	0.87	-25.0%	13.1%
3. Fabric	6.26	6.35	4.71	-25.9%	71.0%
4. Apparel	0.47	0.43	0.34	-21.9%	5.1%
5. Miscellaneous	0.51	0.46	0.32	-28.5%	4.9%
<b>Total</b>	<b>9.02</b>	<b>8.84</b>	<b>6.63</b>	<b>-25.0%</b>	<b>100%</b>

\*Category apparel includes accessories.

# TEXTILE IMPORTS

- China was the largest sources of textile imports, accounting for 43.3%
- Japan was the 4th largest import source (accounting for 5%)

Sources	Import Value (US\$ Billion)				
	2021	2022	2023	Change	Share
1. China	1.72	1.72	1.58	-8.1%	43.3%
2. Vietnam	0.54	0.58	0.49	-15.5%	13.4%
3. Italy	0.18	0.22	0.25	13.6%	6.9%
4. Japan	0.20	0.18	0.18	0.0%	4.9%
5. USA	0.21	0.23	0.16	-30.4%	4.4%
6. India	0.12	0.08	0.10	19.16	2.7%
<b>World</b>	<b>3.86</b>	<b>3.95</b>	<b>3.65</b>	<b>-7.6%</b>	<b>100%</b>

## CHINA WAS THE LARGEST IMPORT SOURCE; THE LARGEST IMPORT CATEGORY WAS APPAREL

- The major import product was apparel, accounting for 60.4% of total textile imports
- Fabrics ranked the second, accounting for 13%

Category	Import Value (US\$ Billion)				
	2021	2022	2023	Change	Share
1. Fiber	0.34	0.33	0.29	-12.1%	7.9%
2. Yarn	0.59	0.48	0.30	-37.5%	8.2%
3. Fabric	0.57	0.59	0.46	-22.0%	12.7%
4. Apparel	1.92	2.11	2.20	4.3%	60.4%
5. Miscellaneous	0.44	0.44	0.40	-9.1%	10.8%
<b>Total</b>	<b>3.86</b>	<b>3.95</b>	<b>3.65</b>	<b>-7.6%</b>	<b>100%</b>

\*Category apparel includes accessories.



# 03

# INNOVATION OF TAIWAN'S TEXTILE INDUSTRY



**BY THE YEAR 2025**

**NO ESG, NO FUTURE**

**BY THE YEAR 2030**

Brand	GOALS
	50% of raw materials will use environmentally friendly materials, and 80% of waste from the supply chain must be recycled.
	Reduce the carbon footprint of each product by 15%, and 90% of products are made of sustainable materials.
	The entire supply chain is carbon neutral and all clothing is made from 100% recycled or recyclable materials.
	50% of the nylon and polyester used is made from recycled materials.

Brand	GOALS
	50% of raw materials to be recycled materials and reduce carbon dioxide emissions by 30%.
	100% of the polyester used in shoes and sportswear products to be recycled.
	Reduce material waste and energy consumption during manufacturing, to reduce carbon emissions by 30%.
	50% of models using sustainable materials in apparel, shoes and bags.

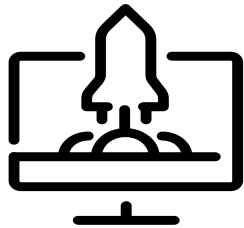


# DEVELOPMENT STRATEGY



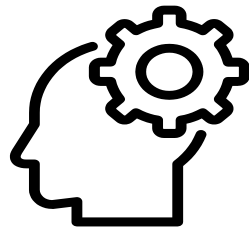
## THE SUSTAINABLE INNOVATION PARTNER FOR FUNCTIONAL AND TECHNICAL TEXTILES

### INNOVATION



Multiple Function  
Temperature Management  
Dope Dyed / Waterless  
Dyeing / Digital Printing  
Smart Clothing

### DIGITALIZATION



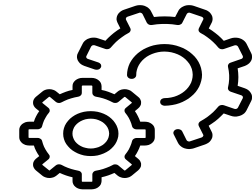
Smart manufacturing  
Sewing Technology  
AIoT Technology  
Template sewing  
3D Body mapping

### DECARBONIZATION



Recycled PET  
Recycled Nylon  
Converts CO<sub>2</sub> to PET  
Yarns  
Apply Green Energy

### INTERGATION



Integrated Supply  
Network between  
Taiwan and overseas  
facility



# RECYCLING EFFORTS



## RECYCLED PET BOTTLES

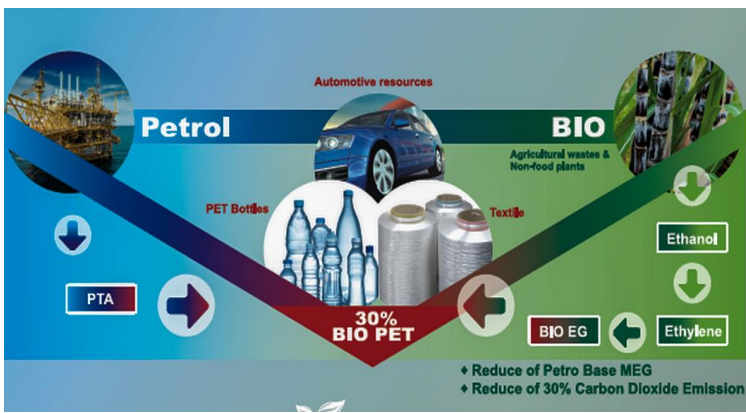
Taiwan has cancelled the PET bottle recycling incentives since June 2002. The PET bottle recycling rate exceeds 95% in Taiwan.

Since 2015, Taiwan has collaborated with major sportswear brands and NGOs to produce footwear and clothing from marine plastic waste.

## RECYCLED AQUACULTURE FISHING NET

Fishing nets collected from deep-sea fishing is not easily to clean, resulting significant water wastage.

Aquaculture fishing nets are cleaner and suitable for reuse. FCFC (Formosa Chemicals & Fibre Corp.) has invested NT\$1 billion to construct a new plant in Taiwan.



# RECYCLING EFFORTS



## UTILIZING WASTE GAS FOR PRODUCING POLYESTER FABRICS

FENC (Far Eastern New Century Corp.) partnered with LanzaTech, along with lululemon, to create the fabric made from waste gas during steel manufacturing in 2021.

The FENC® TOPGREEN® Bio3 solution stood as the world's pioneering fabric crafted from recycled waste gas.

## RECYCLE LEFTOVERS FROM GARMENT CUTTINGS INTO YARN

By recycling textile scraps from factory of Makalot Industrial Co., approximately 7,500 tons of scrap cloth can be reduced every year.

In order to lead the 2050 net-zero carbon emission trend, Zig Sheng Industrial and Makalot launched the "Garment Recycling Yarn".



TAIWAN Textiles



TAIWAN Textiles

SUSTAINABILITY



RECYCLING WASTE  
from ocean plastic and fishing net



CARBON NEUTRAL  
green energy, model and regeneration

# 04

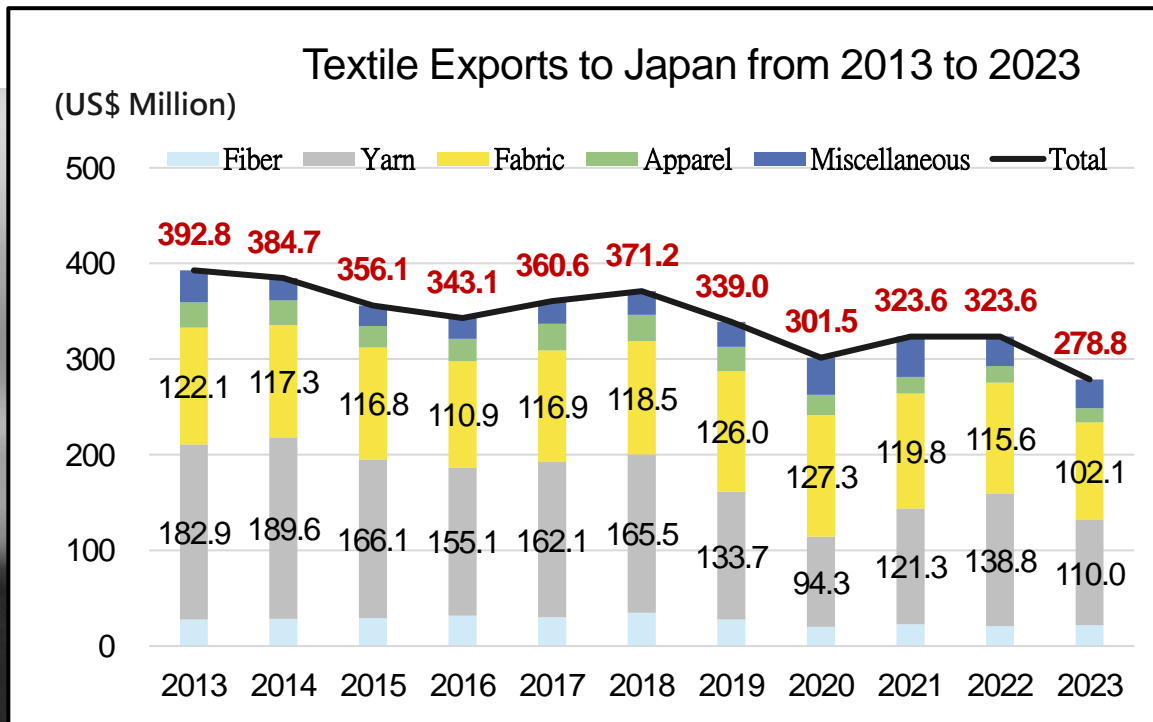
# COOPERATION BETWEEN JAPAN AND TAIWAN

# TEXTILE EXPORTS TO JAPAN

**TEXTILES EXPORTED TO JAPAN DECREASED 14% FROM 2022; THE MAJOR EXPORTS WERE YARN AND FABRIC (TOTAL 77%)**

Taiwan's textile exports to Japan reached around US\$ 400 million in 2013, only US\$ 279 million last year

The top three products were synthetic filament yarn, nonwovens and woven fabrics of synthetic filament



**Top 10 Textile Products Exported to Japan in 2023**

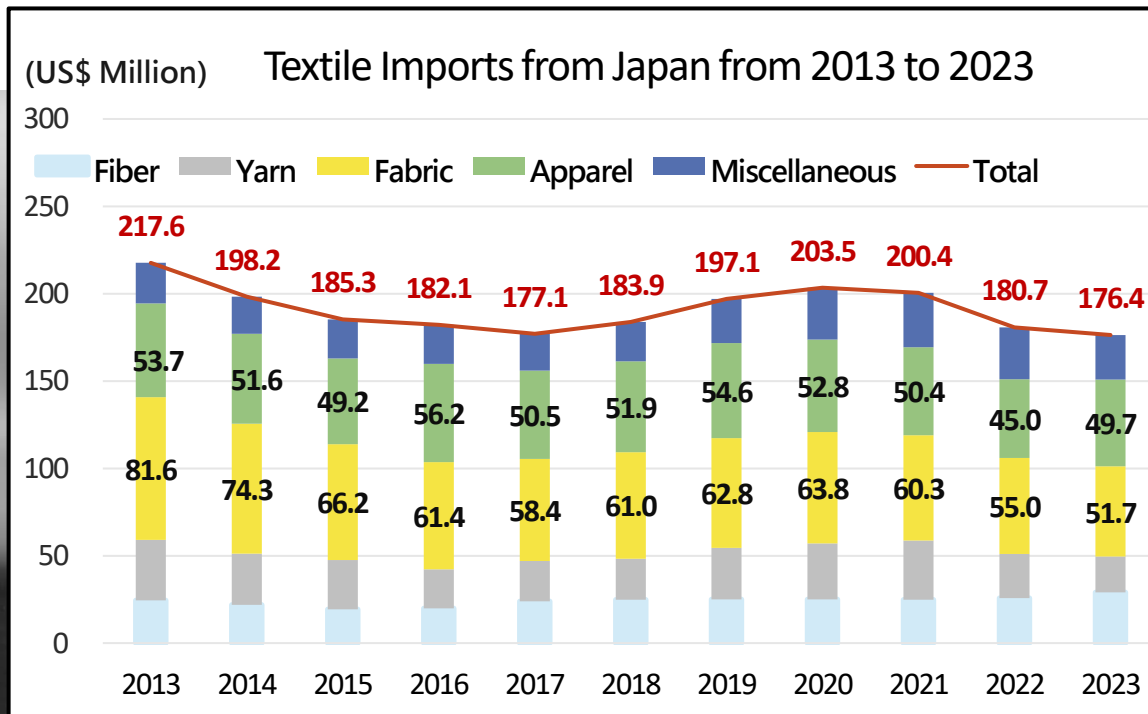
Item	Amount	Share	Change
1. Synthetic filament yarn	99.84	35.8%	-28.9%
2. Nonwovens	56.94	20.4%	-8.6%
3. Woven fabrics of synthetic filament yarn	22.31	8.0%	-4.7%
4. Synthetic staple fibres	15.26	5.5%	13.3%
5. Masks, of textile materials	8.20	2.9%	-16.1%
6. Wool tops and other combed wool	5.39	1.9%	18.0%
7. Narrow woven fabrics	3.95	1.4%	-5.2%
8. Coated (Laminated) fabrics	3.90	1.4%	-1.5%
9. Curtains	3.14	1.1%	47.5%
10. Tents	2.91	1.0%	0.8%
<b>TOTAL</b>	<b>221.84</b>	<b>79.4%</b>	<b>-14.2%</b>

# TEXTILE IMPORTS FROM JAPAN

**TEXTILES IMPORTED FROM JAPAN DECREASED 3% FROM 2022;  
THE MAJOR IMPORTS WERE FABRIC AND APPAREL (TOTAL 57%)**

Taiwan's fabric imports from Japan reached US\$ 82 million in 2013, but only US\$ 52 million in 2023 (-37%)

The imported textiles include synthetic filament yarn & staple fibers, nonwovens, coated (laminated) fabrics



**Top 10 Textile Products Imported from Japan in 2023**

Item	Amount	share	Change
1. Knitted Apparel & accessories	28.00	15.9%	7.5%
2. Woven Apparel & accessories	21.70	12.3%	14.6%
3. Textile products for technical uses	17.77	10.1%	-9.0%
4. Artificial filament tow	15.49	8.8%	21.7%
5. Synthetic filament yarn	13.70	7.8%	-26.5%
6. Synthetic staple fibres	12.15	6.9%	14.5%
7. Nonwovens	12.06	6.9%	-13.0%
8. Wadding of textile materials	7.80	4.4%	-15.6%
9. Coated (laminated) fabrics	5.71	3.2%	27.0%
10. Knitted fabrics	4.28	2.4%	-15.2%
<b>TOTAL</b>	<b>138.66</b>	<b>78.7%</b>	<b>-0.4%</b>



## COOPERATION

# TAIWAN STRENGTH

## INNOVATION

Innovation drives the development of Taiwan textile industry

## INTEGRATION

Integrated manufacturing services at home and abroad attracts clients

## INTEGRITY

Business integrity provides clients with confidence when trading

## CONNECTION

Partnerships with sports and outdoor brands strengthen collaboration

## JAPAN AND TAIWAN

# JOINTLY EXPLORE THE THIRD MARKETS

**THANK YOU FOR LISTENING & WELCOME TO CONTACT US!**

**TAIWAN** Textiles

**Your Sustainable Innovation Partner**



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