

Market Intelligence Report



Thailand Garment & Textile Industry

As of March 11, 2011

Thai textile and garment industry has seen a stable growth. The country has put more effort in development high value-added products, especially eco-friendly products, which account for about 10% of its textile and garment exports.

In 2010, Thai garment and textile exports turnover reached US\$3.21 billion, recording a year-on-year increase of 8.27%. If any, distinguished by category, garment export was a hefty of US\$88 million followed by woven fabrics and yarn represented US\$78.9 million, synthetic filament and staple fibres revealed US\$23.6 million, household textile hit US\$11.6 million, and embroidery and lace indicated US\$4.6 million respectively.

United States remained the biggest exporting market of made-in-Thailand apparels, which totaled US\$1.26 billion representing a 7.26% year-on-year growth, Followed by the EU (US\$1 billion) and Japan (US\$ 253 million) up 4.69% and 11.73% respectively. ASEAN countries also saw a significant 34.51% increase year-on-year, registering US\$118 million according to Adsale Publishing Ltd.

In addition, Thai garment and textile is required high technology of printing machinery in associated with printing, graphic arts workshop in its industry. In 2010, the import of printing machinery for garment and textile was approximately US\$895 million, up 29% compared to 2009 according to Ministry of Commerce. Primary import is actually from Japan followed by China, Singapore, Germany, Malaysia, Indonesia, Ireland, United States and Taiwan.

Currently, the textile and garment industry in Thailand is facing a dearth of 30,000 workers. This shortage is likely to touch 100,000 in the long run. Of the 700,000 workers employed in the garment and textile industry, around 450,000 are engaged in the garment units according to Fibre2Fashion News Desk (India). This means the industry need more workers in long term situation for local production of garment and textile industry.

The government used to grant the textile and garment industry around US\$72.7 billion for machinery and technology in 2008. Thailand Textile Institute (THTI) suggests that the industry will more need to improve and upgrade machinery and technology by increasing funds to US\$145.5 million for high-end technology in garment and textile. Thus these innovative technologies will transform Thailand's role Original Equipment Manufacturer (OEM) to an Original Design manufacturing (ODM) and eventually to Original Brand Manufactures (OBM) in the next few years.

Now, AFTA went into effect, taxes in the ASEAN region were eliminated and Thailand began look at ASEAN as one mass market. Thailand is able to procure raw materials for a cheaper cost, and with all the countries in ASEAN in such close proximity, companies are able to transport the materials into Thailand rather inexpensively, said Mr. Virat Tандаechanurat, Executive Director, Thailand Textile Institute (THTI).

Dej Pattanasettapong, former chairman of the National Federation of Thai Textile Industries (NFTTI), is also confident Thai firms will be on the world's fashion map in the next ten years with better designs, upgraded manufacturing facilities, own brands, and better distribution, especially Thai fashion designers, who are highly competent at producing trend-based, season-oriented collections. He also points out that major global players like China, Eastern Europe, Mexico and Cambodia all saw their textile and garment exports drop sharply over the last two years.

Source: Thailand Textile Institute, Thailand Board of Investment, Department of Export Promotion, Ministry of Commerce, Adsale Publishing Ltd., Fibre2Fashion News Desk (India)