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BUSINESS

Italy Mills Brace for Forex Woes

• Mills will exhibit their spring-summer 2019 fabrics at the three-day Milano Unica fair that opens today.

MILAN — Mills that will exhibit their spring-summer 2019 fabrics at the three-day Milano Unica fair opening here today are preparing for the effects of a weaker greenback, as the U.S. dollar continues to slide against the euro and prices of wool continue to rise.

To offset the foreign exchange headwinds, Italian textile manufacturers have been focusing on upgrading their fabrics with more performance and sustainable materials than ever — to cater to a more evolved consumer and an uptick in the

"The weaker dollar is surely a problem for our foreign clients that have the burden of rising raw material prices, including wool. It will be very important going forward how we will all adjust to the rise in prices," said **Luca Belonghi**, chief executive officer of **Silvio Botto Posa**, noting that sales rose 3 percent in 2017 compared with 2016. The dollar is currently trading at its lowest annual level against the euro — at about \$1.24. Economists expect the dollar

to slide further as the global economy rises and Europe continues to emerge from the financial crisis, and manufacturing data throughout the European Union continues to improve.

"Exports make up about 70 percent of our business," said **Lincoln Germanetti**, CEO of **Tolligno 1900**. "Out of that 70 percent, one third is represented by Japan and Asia, one third by E.U. exports and another, by the U.S. The weak dollar isn't going to help our U.S. sales," Germanetti added, noting that **Tolligno** has been investing in its new **2D Wool** line made with mono and bi stretch elastic yarns for both tailored apparel and performance wear.



In addition to an improved economic outlook, mills have been expanding their catalogues with more sustainable fabrics and technological innovations. "From sustainability to the digital world, continuing through fashion tech, the new markets and the Millennials — the textile industry is facing huge changes with great opportunities to be seized," **Milano Unica** organizers stated.

Biella-based **Reda 1861**, one of Italy's best-known purveyors of fine wool fabrics, has recently unveiled its sportswear and ath-leisure collections developed with international designers.

Reda, famous for its upscale, traditional wool used to craft **Giorgio Armani** suits, has invested years and euros in research and development to cater to the rapidly growing ath-leisure market and a generation that can't live without yoga pants and temperature-controlled undergarments. Its latest **Reda Active** line has been used in **NASA** space suits and high-performance helmets. The company said one meter costs about 20 euros, compared to about 14 euros for its traditional wool.

In terms of trends, **Milano Unica** is reinforcing the sustainability movement sweeping through the fashion world with a "Save the Planet" theme. Exhibitors devoted their spring-summer 2019 catalogues to trends that support these elements: Water,

Air and Earth.

Jacquard specialist **Bonotto SpA**, which is famous for its innovative, whimsical designs, will unveil its **Gardening** line, which uses yarns made from recycled plastic bottles. The fabric has been certified with the **Global Recycling Standard**. "We are experiencing robust sales in sterling markets like the U.S.A. and China, where we sell to the most fashionable brands," said **Bonotto** creative director **Giovanni Bonotto**.

Shirt fabric maker **Gruppo Tessitura Monti** said it will unveil sustainable fabrics within its new **Bio di Tessitura Monti Blue** label and **Brezza Bio** and **Hollywood Bio** lines, made with high-end materials and finishes that are eco-friendly, being made from organic cottons and linens that have all been **Global Organic Textile Standard**-certified.

Luca Belonghi, CEO of the **Tessile Monti Group**, said that the company has been working on reducing energy consumption and CO2 emissions, as well as water consumption in its facilities. **Belonghi** said that **Brexit** has been a concern with regards to the U.K. market, and the dollar exchange rate will prove difficult, especially as new digital competitors emerge. "We are looking at moderate growth in 2018. The signals from our fall-winter 2018 catalogue have been positive but it is too soon to make a real forecast," **Belonghi** said.

"We are hoping 2018 sales will be in line with 2017," said **Botto Posa**.

The fair will see the return of the **Japan and Korea Observatory**, a consortium of leading companies from those regions.