

TEXTILES, APPAREL AND FOOTWEAR INDUSTRY PROFILE

Textiles and Apparel

- The textiles and apparel industry in Malaysia comprises of four sub-sectors namely:
 - (i) Primary textiles (polymerisation, spinning, weaving, knitting and wet processing);
 - (ii) Made-up textiles;
 - (iii) Made-up garments; and
 - (iv) Textile and clothing accessories.

- These four main segments can be further divided into two main activities - the upstream sector and downstream sector.

- The upstream sector consists of main activities such as production of fibre, woven and knitted fabric, bleaching and dyeing.

- The downstream sector consists of manufacturing of made-up garments (e.g. shirts, pants and skirts) and home textile.

- To encourage investments in the textiles and textile products industry, several textile products/ activities have been gazetted as promoted products/activities under the Promotion of Investment Act (1986) and could be considered for tax incentives in the form of Pioneer Status or Investment Tax Allowance. They are:
 - Natural or man-made fibres
 - Yarn of natural or man-made fibres
 - Woven fabrics
 - Knitted fabrics
 - Finishing of fabrics such as bleaching, dyeing and printing
 - Non-woven fabrics
 - Specialised apparel
 - Technical or functional textiles and textile products

- Moving forward, textiles industry will continue to be relevant in future years as more emphasis is now given to serve the needs of niche market and upstream activities. To accelerate the shift of manufacturing and services sectors, from labour-intensive into high value added, knowledge-intensive and innovation-based industries, the Government has introduced a new tax incentive i.e. Automation Capital Allowance (ACA) under the Malaysian 2015 Budget.

- High labour-intensive industries such as rubber products, plastics, wood, furniture and textiles will be entitled to a 200 per cent capital allowance to undertake automation on the first RM4 million in terms of expenditure incurred as early as in the Year of Assessment 2015 up to 2017.
- Two prominent associations that look after the interests of the manufacturers in the industry are:
 - Malaysian Textile Manufacturers Association (MTMA); and
 - Malaysian Knitting Manufacturers Association (MKMA).

Footwear

- Malaysian footwear manufacturers are able to produce high quality footwear to cater to the needs of majority of users. Types of footwear produced are:
 - Men's shoes (for office, sandals & slippers and casual)
 - Ladies shoes (for pump-office, sandals & slippers, evening, casuals)
 - Sport shoes & golf shoes
 - Safety & work shoes
 - Children and infants shoes
 - Orthopedic shoes
 - Custom made shoes
 - Footwear accessories and components.
- Malaysian Footwear Manufacturers Association (MFMA) is the association that looks after the interests of the footwear and footwear related manufacturers.

Trade Performance

Exports 2014-2017

Product Types	2014	2015	2016	2017 (Jan-June)
Total Exports (RM billion)	12.11	13.21	13.88	7.64
Textiles (RM billion)	6.73	7.02	7.50	4.23
Apparel (RM billion)	4.89	5.60	5.67	3.07
Footwear (RM billion)	0.49	0.58	0.72	0.34

Major Export Destinations in 2016

- The United States of America (RM2.23 billion);
- Japan (RM1.18 billion);
- Turkey (RM0.98 billion);
- People's Republic of China (RM0.85 billion); and
- Republic of Singapore (RM0.82 billion).

Imports 2014-2017

Product Types	2014	2015	2016	2017 (Jan-June)
Total Imports (RM billion)	9.34	15.98	18.13	8.91
Textiles (RM billion)	5.08	6.66	7.31	4.03
Apparel (RM billion)	3.24	7.37	8.16	3.58
Footwear (RM billion)	1.02	1.95	2.66	1.30

Major Import Sources in 2016

- People's Republic of China (RM9.47 billion);
- Socialist Republic of Viet Nam (RM1.32 billion);
- Republic of Indonesia (RM1.06 billion);
- India (RM0.72 billion);
- Thailand (RM0.71 billion).

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