

Exports of garments from Indonesia continue to rise in light of the resurgence of demand from major markets.

Shipments have been increasing consistently over the past decade, with growth becoming especially pronounced since 2009. Starting that year, the industry has been registering double-digit expansion annually.

The recovery of the US economy is regarded as the main factor driving this development. The emerging trend of establishing a wider reach in the Asia-Pacific region is also a positive contributor.

The industry benefits from a number of strengths, the most important of which is low labor cost. Compared with China and most sourcing hubs in Southeast Asia, manpower expenditure in Indonesia is smaller, resulting in less-expensive models.

### Key findings

1. Suppliers are generally expected to keep prices of garments unchanged over the next six months in response to strong competition and to keep repeat customers. Some manufacturers will push up quotes to cope with rising expenditure for raw materials.
2. Overseas revenue in the coming year is projected to increase as more companies expand their reach in emerging destinations, including the Asia-Pacific and South America. This outlook is bolstered further by the sustained recovery of the US and the easing financial condition in a number of EU members.
3. The government is actively assisting the industry to ensure stable domestic availability of key materials such as cotton. It has implemented programs designating specific areas in various provinces that are devoted for the sole purpose of growing plants to be used for textiles.
4. Heavy reliance on imported fabrics is adversely affecting the continued development of the industry. Besides this crucial challenge, the sector is facing other difficulties, which include cutthroat competition with makers from the Asia-Pacific and stringent loan requirements enforced by local financial institutions.
5. Emphasis on colorful and elaborate styles will mainly dictate product trends in coming months. Models will typically feature motifs such as geometric patterns, polka dots and floral designs. Embellishments such as embroidery and cutouts will still be widely adopted.

### Objective, methodology & scope

This Indonesia Sourcing Report is part of a series designed to provide buyers with information on new products from export manufacturers in supply markets that specialize in handmade merchandise.

The Developing Country Sourcing Report series is part of Global Sources' corporate social responsibility initiatives. It is offered in conjunction with the Hinrich Foundation, whose mission is promoting sustainable global trade. One of its objectives is to help create jobs in developing Asia through export promotion.

To produce this report, large, midsize and emerging manufacturers, all with substantial export experience, were surveyed. The selection of suppliers is designed to reflect the composition of the industry in Indonesia in terms of geographic location, materials used and range of products offered.

For in-depth profiles, our researchers visited the facilities of each company and interviewed senior executives who discussed their recent performance and provided forecasts for the next 12 months. All other makers in this report were either visited or contacted by phone.

In each case, companies were required to answer specific questions designed to verify their manufacturing and export credentials, including a breakdown of exports by product type and market. Suppliers also participated in a survey designed to provide insight into the industry.

This report covers different classifications of garments available in Indonesia, including casual, formal, baby and children's wear, and sarongs. Each product category has its own price guide that describes features of low-end, midrange and high-end models.

### In this report

- 17 in-depth company profiles
- 13 short company profiles
- 170 top-selling export products
- Supplier demographics
- Supplier survey
- Industry statistics and charts

The Industry Overview section discusses key issues affecting export manufacturers. It provides insight on the composition of the industry and elaborates on the important supply centers within Indonesia.

The Products & Prices section details the features and price ranges of garments. It also examines the design and manufacturing processes, main materials used, and sourcing centers where components are procured.