

# **The A&E- Manchester Yarn Collaboration**

The garment industry in Sri Lanka is certainly moving in the right direction. Its products are accepted throughout the world, particularly in the West, where there is strong competition. The industry is ready to accept innovation. The resilience of the industry speaks a great deal for its productivity.

This was the view of John Hoyle, Vice President, International Sales, of American & Efird, Inc., in an exclusive interview with "Business Today's" special correspondent. Hoyle was in Sri Lanka recently connection with the signing of a Technical Collaboration Agreement between American Efird and Manchester Yarn & Thread Ltd., which is part of Phoenix Ventures Ltd. of Sri Lanka. Hoyle was of the view that the climate for investment was very good. When asked whether the prevailing war conditions in a part of the country and the news reports of terrorism was a threat to investment in Sri Lanka, he said that investors should not take important investment decisions purely based on media reports. They should make a study of the actual conditions and obtain information from other sources, specially those who have studied zones of investment. He had himself visited Sri Lanka several times, and thought the country was a good prospect for investment. He was particularly glad that American &



Efird (A&E), with its long commitment to quality, was able to find a suitable partner in Sri Lanka for an initial partnership.

When asked whether A&E would be taking an equity in Manchester Yarn and Thread Ltd., Hoyle said that what was being taken was an initial step in joint participation through the Technical Collaboration Agreement. However, the possibility of A&E coming in with equity could not be ruled out, and the opportunity for such investment did lay down the road.

Hoyle was of the view that because the garment industry is one of the main foreign exchange earners for Sri Lanka, and the largest buyer for garments produced in Sri Lanka was the U.S.A, the requirements of the American garment industry had a direct bearing on Sri Lankan manufacturers. Most buyers specify the quality of the thread the manufacturer should use on garments produced for them, as their reputation could be affected by the choice of the thread. That was why quality thread became a matter of vital importance to the garment industry.

He explained A&E is one of the manufacturers of top quality sewing threads recognized the world over. It is the American brand of thread which has won a high

reputation around the world, and particularly in Europe, for its high quality and standards. Most American Buyers specifically request manufacturers to use A&E threads on their orders.

Referring to the Technical Collaboration Agreement, Hoyle said that it would give to Manchester Yarn and Thread the full benefit of all the research and technological developments of A&E. There will be the opportunity for technicians from Manchester Yarn & Thread to visit the manufacturing plants of A&E in the U.S.A, and learn the new processes. This would mean a very useful technology transfer to Sri Lanka.

American & Efrid had been founded 100 years ago. Its first spinning mill was situated in Dutchman's Creek, in Mt. Holly, North Carolina, which is still the centre of the company. It had played a major part in carrying out research into various aspects of thread manufacture, to meet the

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varying demands of the industry. Through a commitment to ever improved quality, a process of expansion, merger and acquisitions, it had become a world leader in manufacturing industrial sewing threads. Today, A&E employs approximately 3,000 people in its manufacturing plants, sales offices and service centres located throughout the world.

To serve its clients around the world, A&E today maintains sales offices in strategic locations throughout the world. It has overseas manufacturing subsidiaries in almost every continent. In 1976, A&E incorporated A&E (Hong Kong) Ltd. In the mid 80's, the Asian emphasis was strengthened by the Far East Regional Office (A&E International Far East) Ltd., which pursues other overseas markets in the area.

When asked about interests in South Asia, Hoyle said they already had a collaboration venture in India, and another in the Mauritius. The Technical Collaboration with Manchester Yarn & Thread in Sri Lanka was a further proof of the interest in South Asia, and this region.

Among the advantages of the new collaboration which will help produce A&E quality

yarn in Sri Lanka, would mean the cutting down on long distance negotiations, speeding up the tedious process of colour matching, avoiding delays in the clearing of shipments, and overall assisting of the garment or other manufacturer using thread to obtain the right thread and at the right time.

Hoyle said that the operation of Manchester Yarn & Thread Ltd., fulfilled the most stringent quality requirements of A&E and it was a good demonstration of the level of entrepreneurship in Sri Lanka. That was among the main reasons for his confidence in the future of the garment manufacturing industry in this country.