RNI No: MAHENG/2003/14851
Regd. No. MCN/318/2022-24
Published on 1st and 16th of Every Month

WPP License No. MR/TECH/WPP-362/North/2022-24
Posted at Mumbai Patrika Channel Sorting office on 1st/2nd of same month & 16th/17th of same month

ISSN 2230-8725
VOL. 21 No. 3

# textile Excellence

*Assisting you to make Informed Decisions*



AUGUST 1-15, 2023 PAGES 20 ₹25



# EU T&C Industry Performance In Q1 2023 Not Quite Promising

- The EU textile & clothing activity revealed a mixed picture in Q1 2023.
- Looking forward, confidence worsened in the entire value chain.

Economic performances in Europe's textile and clothing industry showed a mixed picture in the beginning of the year, as companies are still struggling with tough market conditions and insufficient demand. On a quarter-to-quarter basis, production volumes as well as exports deteriorated in the entire value chain, demonstrating insufficient domestic and external demand.

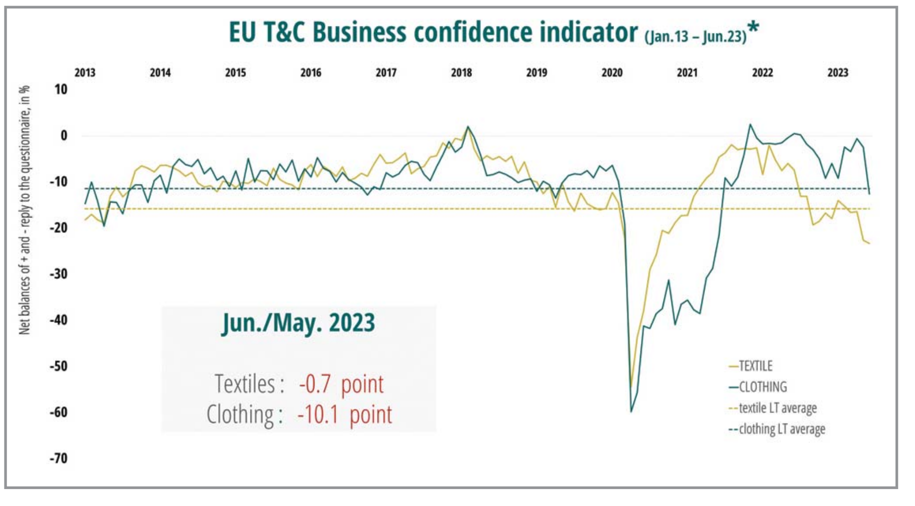
On the positive side, the labour market evolution turned positive in both sectors and turnover slightly increased compared to the previous quarter, but also compared with the previous year. Lower energy prices are gradually making their way through the economy, decreasing production costs for companies, and reducing energy bills for consumers.

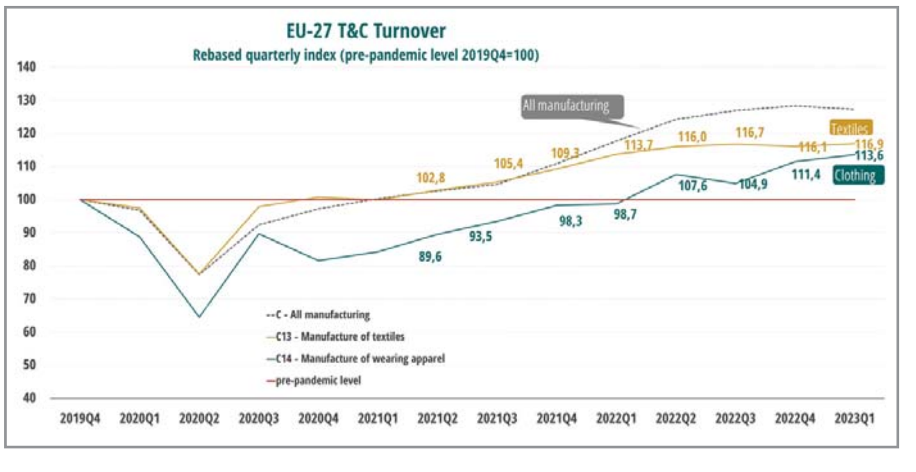
The European economy continues to demonstrate resilience despite challenging global circumstances. Besides lower energy prices, easing supply constraints and a robust labour market have bolstered moderate growth in the first quarter of 2023.

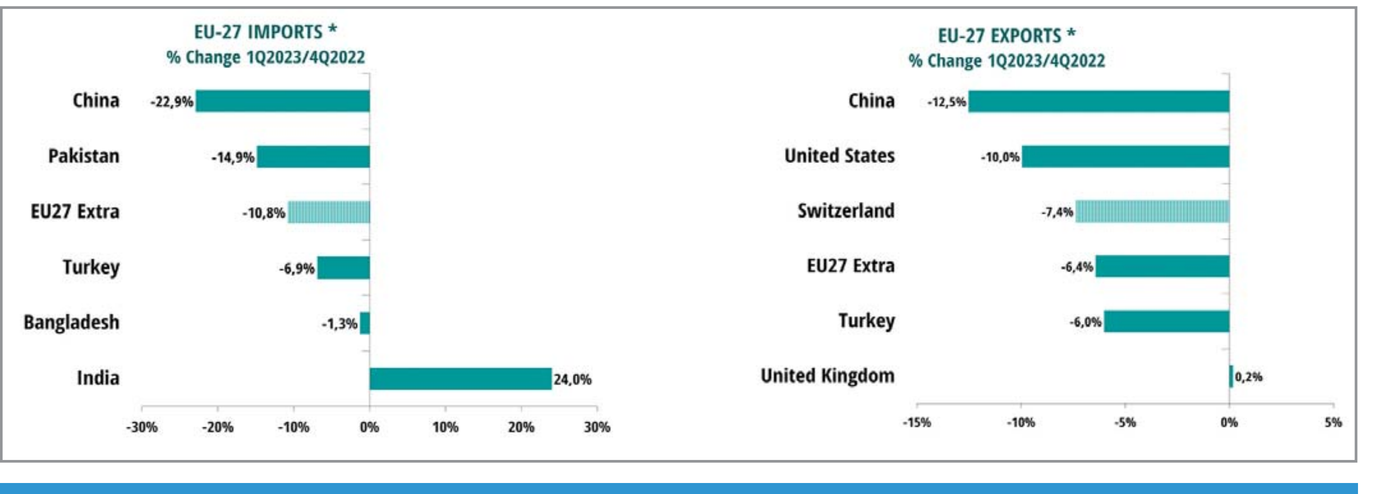
However, due to high inflation, financing conditions are expected to tighten further. This could slow down investment growth. More benign developments in energy prices could lead to a faster decline in headline inflation, positively impacting domestic demand. Of course, uncertainty remains due to Russia's ongoing invasion of Ukraine.

Looking forward, economic sentiment in the T&C industry is deteriorating, suggesting that economic activity will contract in the second quarter of 2023. The EU Business Confidence indicator for the months ahead weakened in the textile industry, resulting mainly from managers' more pessimistic views on their current level of overall order books and adequacy of stocks of finished products.

Business sentiment in the clothing sector saw a much stronger deterioration (-10 points in June, compared to May), as managers' production expectations and their assessments of the current level of overall order books deteriorated further, and the stocks of finished products were increasingly assessed as too large/above normal. ■



# ‘Stop Overproduction!’

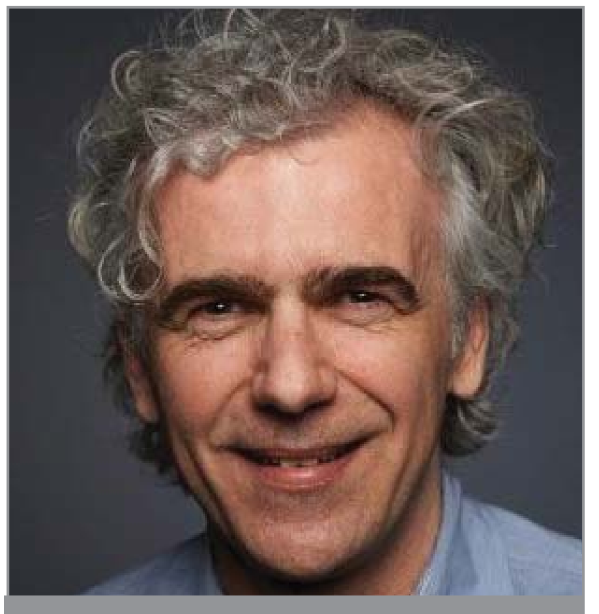
At the Fifteen Seconds Festival 2023 in Graz a month ago, I had the opportunity to join sustainability experts Christiane Dolva Törnberg (H&M Foundation), Helga Judit Holes (ex Zalando) and Ruth Andrade (Lush - Cosmetics) in a panel discussion on the topic "Is There Such a Thing as a Sustainable Textile Industry?”

We were in absolute agreement on one point: namely, on the question of which measure would be the most important to ensure a fast impact towards a better and cleaner textile and clothing industry:

Stop overproduction!

Where does the phenomenon of “overproduction” come from?

Until the beginning of the 20th century, clothing was produced based on an acute need. Simplified, this meant that if a garment was needed and no such garment was available



Claus Bretschneider

via intra-family transmission, a corresponding garment had to be made by a tailor. In the 1930s, after the production of textiles had already changed fundamentally, the Parisian standard "Prêt-à-porter" emerged, which means ready to wear. Now clothes were no longer tailor-made but prefabricated in standard sizes – garments now hung ready-to-wear in the shop. The fast fashion trend that started at the end of the same century then led to massive overproduction today.

**What impact does this have?**

Today, only 60% of the garments made are sold, or looked at the other way round: 40% of the garments made are never sold. The stock of garments on this planet is so high that six more generations would have enough garments without producing a single new apparel. Imagine the amount of resources we could save by using clothing more efficiently. An inconceivable amount of clothing is now produced for the rubbish, posing another unsolvable problem. Where to put all the clothes that are no longer needed or used. The mountains of rubbish in end-recipient countries in Africa, Asia, and South America are getting higher and higher, and the associated poisoning of the environment is becoming more dangerous every day.

**How can this be solved – above all: who can solve it?**

There is no simple answer to this, but this challenge must also be solvable. Some ideas from my side:

- A take-back obligation by the producers (distributors) combined with a simultaneous export ban on old clothing. Such measures are being discussed and suggested in the EU. Imagine the challenges a fast fashion giant would face if it really had to keep everything it produces and does not sell, and if it also had to sensibly recycle the clothing it gets back from customers. What is currently still dismissed as completely absurd could become reality. A complete reorganisation of the value chain would have to emerge.
- A ban on putting new clothing on the market if it is not made from a certain percentage of recycled primary products. For example, every manufacturer could be obliged to make at least 30% of its products from fibres that have already been a garment part as "recyclate". Technological development in the field of recycling would pick up speed rapidly and many research projects that are still on the back burner today would quickly find funding.
- The concept of "production on demand" would be another approach. According to this concept, clothing should - as in earlier times - only be produced when it is needed, i.e. when it has actually been ordered. However, this only makes sense if the productions would also take place in the immediate vicinity of the consumer markets.
- Self-responsible consumers could refrain from buying fast fashion altogether on their own initiative and thus put a stop to the current dynamic. By purchasing high-quality, durable garments that are carefully selected and then remain in use for a really long period of time, part of the problem would already be solved.

From my point of view, the big manufacturers, who are also the main polluters of the issue, will not change their approach unless they are forced to do so by government pressure. ■

***(Claus Bretschneider is Founder of Breddy’s, a textile consultant, author)***

# 'EU Failed To Rein In Emissions In Textiles Sector'

A recent paper highlights the emissions gap that apparel industry giants will face if no urgent action is taken to prevent overproduction by governments.

Published by Zero Waste Europe, the paper notes that despite being the top buyer of clothes globally, the EU has yet to set concrete measures on textile waste prevention, thereby cancelling any progress towards a sustainable fashion industry.

Theresa Mörsen, Waste & Resources Policy Officer at Zero Waste Europe, states: "Evidence shows that even with the foreseen interventions in the textile production chain, there is still a gap of almost 40% of necessary emissions reductions to meet the 1.5 degrees target. This suggests that the only way forward is to reduce overproduction"

Entitled "T(h)reading a path: Towards textiles waste prevention targets", the paper emphasised that the most significant global warming impact of the textiles industry lies in the production phase, and urges a radical remodelling of the industry.

The EU's Waste Hierarchy laid down by the Waste Framework Directive prioritises waste prevention over other methods like reuse, recycling, and recovery. While the Waste Framework Directive obligates countries to take measures against waste, the proposed revision of the Directive fails to include prevention targets for textiles, undermining the Waste Hierarchy's core principle.

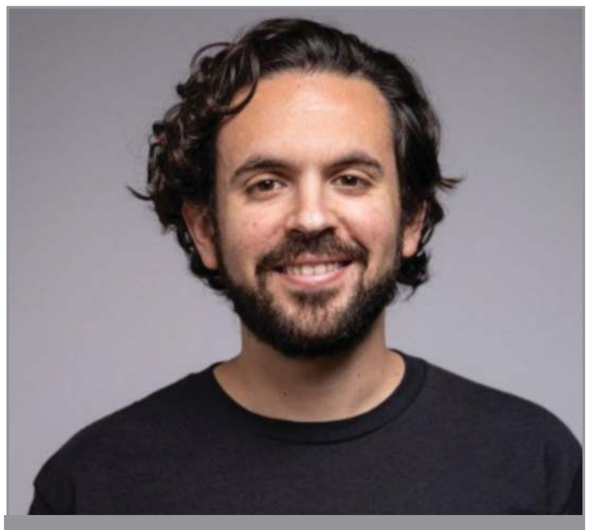
Experience from the past decade has shown that voluntary measures such as awareness-raising campaigns always fall short of their aims and instead, Zero Waste Europe advocates for real textile waste reduction targets at EU level, a measure previously backed by the European Parliament and the European Environmental Agency.

Theresa Mörsen, Waste & Resources Policy Officer at Zero Waste Europe goes on to say, "Since member states' waste prevention programmes have not delivered any tangible waste reduction over the past 10 years, we suggest setting concrete targets, starting with textile waste in the current revision of the Waste Framework Directive. We propose an overall reduction target for textile waste of at least one third by 2040 in comparison to 2020. It is essential to set policy on the right trajectory for substantial waste reduction as soon as possible."

One feasible indicator for waste prevention would be to measure the weight of new textile products put on the market per capita per year. According to the paper, the average European consumes a staggering 26 kg of textiles annually, while generating 11 kg of textile waste. The environmental consequences extend beyond the EU's borders, as material extraction and production mostly take place outside the EU and exports of textile waste are commonplace, polluting soil and water in recipient countries in the Global South.

Addressing the global impact of the textile industry, "T(h)reading a path" highlights that reducing overproduction of clothes can significantly decrease the industry's carbon footprint. Recycling and reuse, while beneficial, are not enough to align with the Paris Agreement goals. ■

# What If Barbie Became An Ethical And Sustainable Fashion Icon?


Antonio Nuño

Between 2% and 10% of the fabric used to make any piece of apparel is wasted in the cutting process. The scraps are too small to be used in any new product, so they usually end up in landfills or in the ocean.

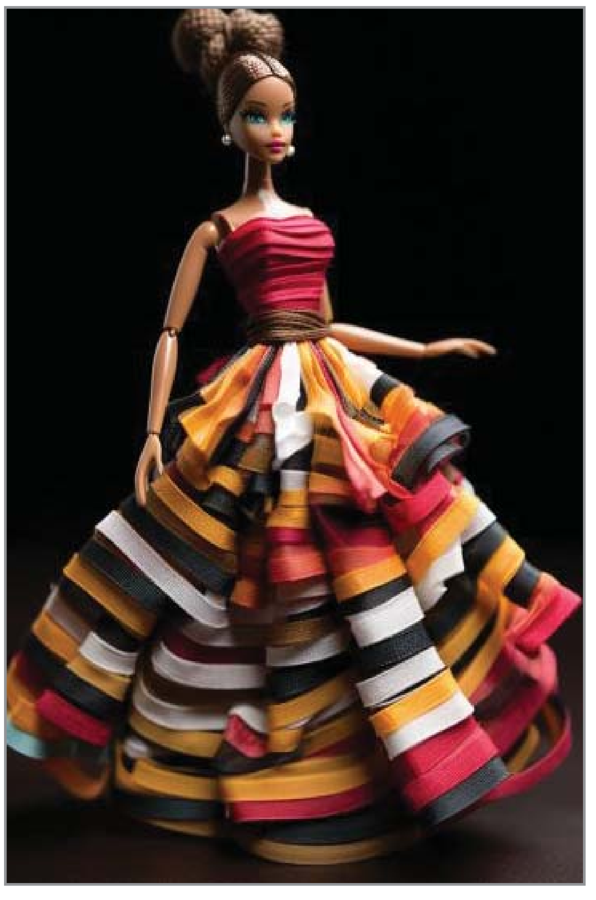
Though these scraps can't be used to make human-sized products, they are actually perfect for doll-sized items! So what if, starting in 2024, all of Barbie's clothing was made by marginalised artisans who use these scraps as their primary raw material?

Let's analyse the potential impact.

In 2022, Mattel, Inc. sold 56 million Barbies and generated US$ 1.5 billion in revenue. Their Cost of Goods Sold was 53%, so they spent US$ 800 million to make those Barbies. With the Barbie live-action movie launch, numbers will definitely grow this year and boost the doll market for the future.

Now let's assume that 20% of a Barbie's cost is the clothing. This means that US$ 160 million is spent to make her outfits! If Mattel, Inc. changed its production model to the one suggested, it could:

- Save 2,800,000 kg of waste fabric from reaching landfills and significantly reduce its carbon footprint.
- Generate more than 15,000 jobs for people in marginalised communities (fabric collectors, cutters and sewers), and allow their 45,000 kids people to live outside of the poverty line.
- Create new revenue streams (eg: selling mystery boxes with one-of-a-kind outfits or launching seasonal collections depending on the available waste fabric).



- Make sustainability and inclusion even a more prominent part of Barbie's new universe.
- Teach millions of kids how their choices can have an impact on the planet and its people.

Wondering how these items could look in real life? We used AI and Someone Somewhere's database to spark the imagination and show some items we could create with local fabric scraps and artisan communities in Mexico. ■

***(Antonio Nuño is Co-founder & CEO at Someone Somewhere)***

# The Garment Industry And The Road To Sustainability

**David Birnbaum**

We are told that one of the major causes of global warming and unsustainability is garment industry burying clothing in landfills. Of course we are also told that burying radioactive waste is safe, sustainable, and will help reduce global warming.

Silly statements do not solve problems.

If we want to find a solution to garment-dumping, we must first understand who is dumping and why. Most of the problem comes from garment retailers who want to reduce inventories of unsold goods. They dump because they do not want to markdown.

The problem is overproduction. The solution is to reduce production.

Fast fashion is a marketing strategy whereby the retailer delivers instantaneously every size and every colour of every style. Overproduction is their only solution.

Other retailers have a ready-made solution. Speed-to-Market is a production strategy whereby retailers can order smaller quantities with the knowledge that they can reorder quickly, thus obviating the need for overproduction.

At the other extreme, we can create a strategy to recycle unsold garments. Here too there are workable solutions. However all workable solutions must begin with the understanding that successful recycling must be profitable, not some socially-responsible charity.

All things considered, our efforts to become more sustainable are at most 50%. On the doing side we are not doing well at all, but on the talking side we are racing ahead. Every day brings more webinars, seminars, discussion groups and organisations committed to sustainability.

They all seem to follow the same patterns:

- The experts argue that the problem is the consumer. We must educate the consumer to buy less. Unless and until we can achieve this goal. We in can do nothing.
- The industry leaders claim: We are committed to future increases in sustainability.

The consumers are the only group moving towards greater sustainability. They are already buying fewer garments. They are already moving towards alternate sustainable solutions, such as buying used (pre-loved) clothing, clothing rental, clothing repair, exchange with friends, and internet selling.

On the other hand, commitments to future sustainability by retail management are seen to be without value.

Today's consumers operate in a world of acquired-cynicism. They believe that all retailers are liars, conmen and crooks and to some degree they do have some compelling evidence.

The retailers on the other hand take the position that their consumers are a bunch of morons who, with the proper marketing, will believe and buy anything. Given the present situation, it is very hard to develop any degree or cooperation.

One point: While there will always be consumers, you the retailer have no guarantee that your company will be there to service them. ■

***(David Birnbaum is Strategic Planner for the Global Garment Export Industry, World Bank Group)***

# Italian Textile Machinery Sector Reports Order Drop Of 30% Drop In Q2 2023

During the second quarter of 2023, the orders index for textile machinery, as compiled by the Economics Department of ACIMIT, the Association of Italian Textile Machinery Manufacturers, dropped significantly compared to 2022 April – June 2022 period (-30%). In absolute terms, the index stood at 85.1 points (basis 2015=100).

This drop is the result of a reduction in the collection of new orders recorded by manufacturers both domestically and in foreign markets. The decrease in orders in Italy amounted to 21%, whereas a 31% downtrend was observed abroad. The absolute value of the index on foreign markets settled at 81.9 points, while in Italy it stands at 117.2 points. New orders for the second quarter amounted to 4.1 months of guaranteed production. ACIMIT's data also shows that the use of production capacity by Italian manufacturers was 70% for the first half of 2023. This percentage is expected to remain stable for the second half of the year.

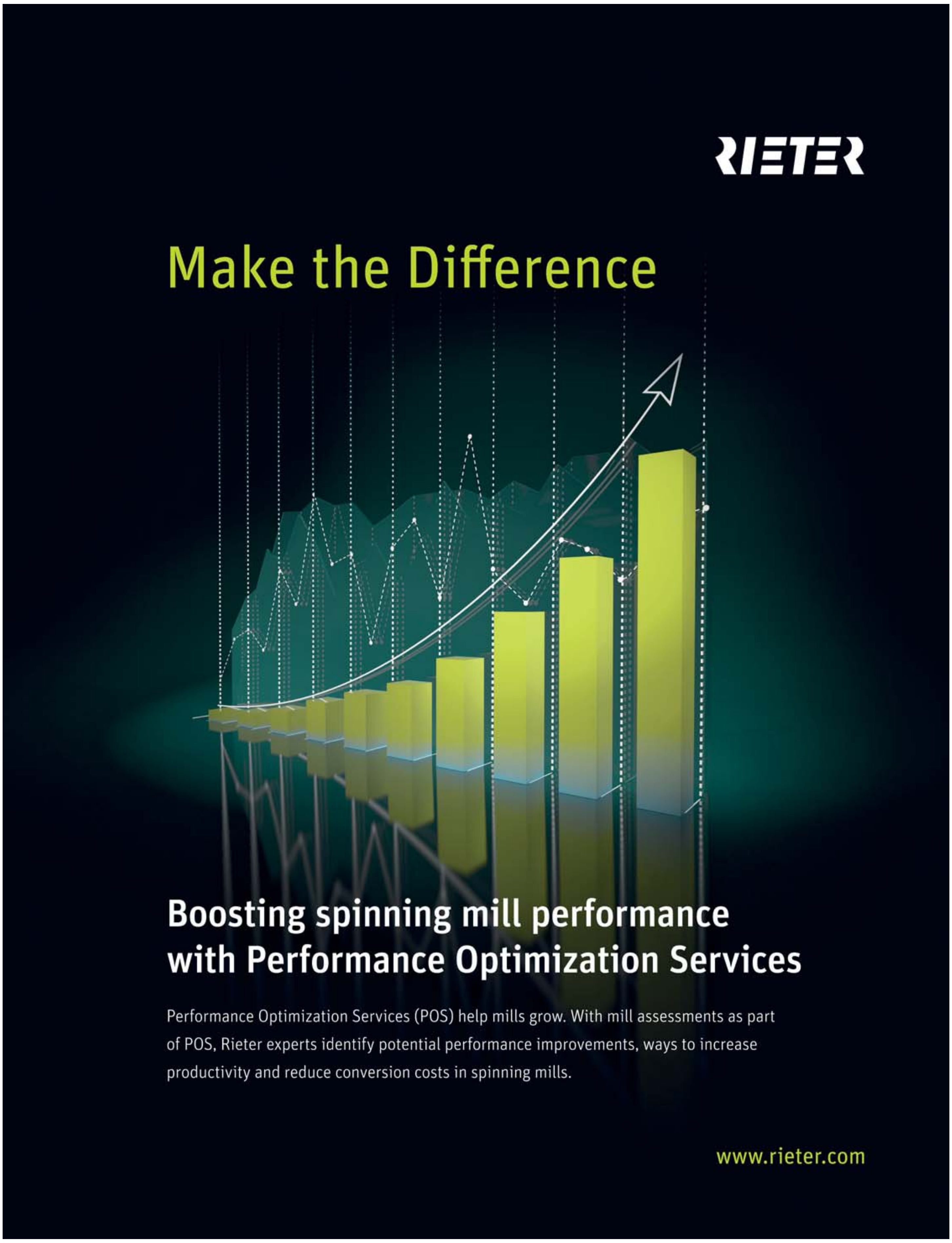
ACIMIT president Marco Salvadè stated that, "The orders index for the second quarter elaborated by our Economics Department clearly shows a decline in new orders both in Italy and abroad compared to the previous year. The decline that usually precedes an event such as ITMA, the international textile machinery exhibition held last June in Milan, however, is part of a negative trend that has been going on for several quarters". Uncertainty appears to be weighing heavily especially on markets abroad, where foreign trade statistics updated to the first quarter of 2023 are marked by a slackening in Italian sales in some important reference markets, such as Turkey, China, the United States and Pakistan. Salvadè added that, "Feedback from over 400 Italian companies that took part in ITMA is positive. It's now necessary for the many contacts made during the event to materialise and for the demand for machinery in the main textile machinery markets to resume a path towards growth."

**The EU's Green Deal strategy poses new challenges**

Innovation is no doubt at the heart of the challenges that await Italy's textile machinery industry in the near future, a fact that was stated at the General Assembly of ACIMIT, the Association of Italian Textile Machinery Manufacturers, held on July 4th. Former ACIMIT President Alessandro Zucchi presented industry data for the Italian textile machinery sector for 2022, showing that production increased by 13%, for a value of 2.7 billion euros, while exports grew by 15% (2.3 billion euros).

Italian machinery manufacturers have played a decisive role in presenting new technology trends at ITMA, with Zucchi stating that, "Innovation is the discriminating element between those who look to the future with optimism and those who will instead be forced to follow in pursuit." In the future, innovation will continue to make a difference in our sector, above all in light of strategies put forward by the European Union regarding the so-called Green Deal.

Zucchi goes on to explain that, "With the strategies for 'sustainable and circular products' launched by the European Commission to implement Green Deal objectives, these initiatives – which are currently voluntary – will be included in a defined legislative and regulatory scenario." ■



# Quality: A Key To Success In The Indian Textile Industry

Pratik Gadia

In our latest edition of The Yarn Bazaar Roundtable Show themed – Quality As Key To Success In The Indian Textile Industry - we welcomed a group of textile industry experts around the virtual roundtable, to discuss the importance of quality in our dynamic textile industry.

To achieve growth and success, manufacturers must prioritise the needs and preferences of their customers and focus on delivering value through their products and services. By understanding and meeting customer demands, manufacturers can build strong and lasting relationships, which will ultimately lead to sustainable growth and competitiveness in the market. The shift from a traditional production-focused mindset to a customer-oriented one is essential for manufacturers to adapt to changing market dynamics, stay relevant, and thrive in today's business landscape. Talking about the customer-centric approach, Sanjay Arora, Associate Director, Wazir Advisors said: “Manufacturing industry now has to think like the service industry. Unless and until they do not start to think like the service industry they can’t grow.”

In the Indian textile industry, realising the value of educated workforce can have a transformative impact. By providing comprehensive training to the workforce, companies can nurture a culture of quality at every level within the organisation. Well-trained employees are better equipped to handle challenges, adapt to technological advancements, and maintain consistent production standards. This, in turn, enhances productivity and efficiency, leading to improved customer satisfaction and brand reputation.

Balkrishan Sharma, Joint President & Business Head, Ginni Filaments Ltd spoke about the importance of employee training: “Investing in employee training programmes is a game changer. Then only you can create a culture of quality at every level within the company.”

Vikas Sharan, former Director, India Operations, Saurer Textile Solutions Pvt Ltd. said: “Based on the segment we are operating in, we must ensure optimum quality at the best cost possible, utilising the resources, i.e. man, material, and machine.”

In the Indian textile industry, achieving optimal quality at the best possible cost is a paramount objective for sustainable growth. It necessitates a careful assessment of the segment in which a company operates to tailor strategies accordingly. By efficiently utilising resources, including skilled labour, quality materials, and advanced machinery, manufacturers can strike the right balance between cost-effectiveness and uncompromising quality.

For businesses in this sector, the ultimate measure of quality is the customer index, reflecting repeat orders and positive word-of-mouth referrals. When customers are delighted with the products and services, they not only return for more purchases but also become brand advocates, spreading positive reviews to attract new clientele.

Vilas Gharat, MD, Gharat & Associates talked about customer retention: “Quality for me is customer index, by which I get repeat orders and the same customer gives mouth publicity so I increase my client base. This is the quality parameter for me.”

Achieving a high customer index requires an unwavering commitment to delivering superior products, meeting specific requirements, and addressing customer preferences. It involves understanding the ever-evolving needs of consumers and adapting swiftly to market trends.

Ensuring quality goes beyond just the end product; it encompasses every aspect of the supply chain, from sourcing raw materials to packaging and labelling.

Dr. Amit Lath, CEO Sharda Group of Companies shared a real-time case study where a small act of negligence cost the business a lot and impacted the profitability of the business. Such incidents emphasize the importance of vigilance and attention to detail at every level of the manufacturing process. Quality assurance measures should be integrated throughout the organisation, fostering a culture. “Cultural change needs to come at various levels. Sometimes we receive the products with the right quality but there are other complications that we might see like wrong labelling, wrong cartons. Quality needs to be assured at every level”, said Dr Lath.

Among the other notable participants were Piyush Chandarana (Business Head Chiripal Group of Companies), Manish Joshi (Founder SnA Pathfinders), Dr S. B. Muttagi (Former Lecturer Govt Polytechnic Nagpur), Pramod Raichurkar (Director, MANTRA) and Mayur Basuk (Deputy Director, WRA).

As we conclude this roundtable excerpt, we are inspired by the dedication of industry leaders and their shared commitment to elevating the standards of quality. Let us carry forward these valuable insights and work collaboratively towards propelling the Indian textile industry to new heights of excellence and global recognition. Together, we will weave a tapestry of innovation and resilience that will define the future of textiles in India.

You can watch and listen to all the Podcasts and Roundtables on the official YouTube and Spotify channel of The Yarn Bazaar. ■

*(Pratik Gadia is Founder & CEO, The Yarn Bazaar)*

# Wind And Solar To Produce 33% Of Global Power By 2030

## *Energy prices will drop as wind and solar production increases*

Wind and solar projects are on track to account for more than a third of the world's electricity by 2030, a report by the Rocky Mountain Institute (RMI) said. This signals that the energy sector can achieve the change needed to meet global climate goals.

Sultan al-Jaber, president of the next UN climate summit, COP28, earlier this year called for a tripling of renewable energy generation by 2030 to curb greenhouse gas emissions and help reach goals set under the 2015 Paris climate agreement.

Exponential sector growth means wind and solar projects are predicted to generate at least 33% of global electricity, up from around 12% now. This will lead to a fall in fossil fuel-powered generation and cheaper power, the RMI report showed.

The RMI, a US-based non-profit organisation focused on clean energy, carried out the research in partnership with the Bezos Earth Fund, a US$ 10 billion fund created by Amazon owner Jeff Bezos to help fund solutions to climate change.

The cost of solar power, which is already the cheapest form of electricity production, will fall as low as US$ 20 (□17.80) per megawatt hour (MWh) from around US$ 40 (□35.70) MWh currently, as more projects are deployed and economies of scale improve, the report said.

"The benefit of rapid renewable deployment is greater energy security and rocky independence, plus long-term energy price deflation because this is a manufactured technology - the more you install the cheaper it gets," said Kingsmill Bond, Senior Principal at RMI. ■

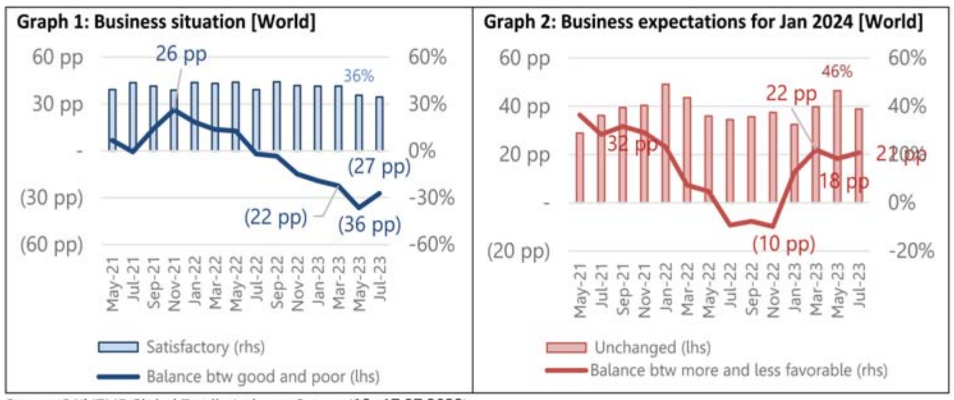
# Global Business Situation Improves First Time Since November 2021 : ITMF

According to the ITMF's Global Textile Industry Survey (GTIS) conducted in the first half of July 2023, the business situation improved on average worldwide in July 2023 despite remaining negative. An increasing number of companies have adapted to the harsh business environment and are now reporting improvements. A regional analysis shows that Asia is struggling the most and South America is back in positive territory. The global business expectations did not change since March 2023. All regions remain optimistic about the situation in six months-time, except for East Asia. Weavers / knitters and dyers / finishers / printers are two segments where the expectations have turned negative.

Order intake remains negative in all regions and all segments despite a slight increase recorded in July 2023. Garment, home textile and technical textile producers have registered significant improvements, though the balance stays negative. Order backlog fell to the lowest level recorded in the GTIS. An increase could be observed only in South America and for technical textiles. Globally, companies are not expecting order intake to improve in such a manner that order backlog goes up significantly. The capacity utilisation rate hit the lowest level since the start of this survey as well. It has steadily decreased in Asia and Europe since 2021 and dropped for home textile and technical textile producers lately.

The major concern worldwide remains by far weakening demand in July 2023. A second distant concern is inflation closely followed by higher raw material prices, geopolitics, and higher energy prices.

Some positive signs are that costs for logistics, energy and raw material have fallen in the past few months and geopolitics has not risen in the ranking. The number of cancelled orders remained relatively low globally. Most companies in the textile supply chain report average or low inventories levels which makes cancellations obsolete. Interestingly, 96% of garment manufacturers report average or low inventory levels. Spinners, weavers / knitters, and fibre producers report the highest inventories. ■




Source: 21st ITMF Global Textile Industry Survey (10.-17.07.2023)

# Geopolitical Disarray And Distress In Demand: An Inside Look at India's Current Textile Turbulence

Balkrishan Sharma

**Current trends in the yarn market**

The yarn market is currently experiencing a subtle yet discernible current of activity, particularly in select products such as hosiery and in specific regions like Ludhiana, Kolkata, and NCR. This activity appears to be driven by a surge in export sales in the first half of July 2023, albeit at lower prices, indicating a complex interplay of market forces. Empty pipelines, especially in the domestic market, an increase in S-6 spot prices from 56000/candy levels to 57000/candy and the closure of 1800 spinning mills out of 2200 in Tamil Nadu could be other reasons.

But before this Indian yarn market, encompassing both exports and the domestic segment, has more or less grappled with significant challenges that have had a detrimental impact on spinning and denim units. These challenges are predominantly centred around declining capacity utilisation, a factor primarily driven by distress in demand. Rising interest rates, changing consumer preferences, and inaccurate crop forecasting further compound these challenges. Each of these factors contributes to a market environment that is as complex as it is challenging.

**Impact of global events on the yarn market**

Despite a ten-day bullish streak in yarns, the fabric market paints a rather sombre picture. The consumer demand at the retail level, particularly in Europe and the US, is marked by weak strokes, slowing down the momentum of purchases. Inflated consumer prices have emerged as a significant antagonist, casting a long shadow over the demand for yarn.

The strategies of the world's major central banks in setting monetary policy amidst the easing signs of the worst inflation crisis in a decade will be a pivotal chapter in this narrative. Adding to the complexity of the plot is the ongoing Russia-Ukraine conflict. This geopolitical drama continues to churn the markets, creating uncertainty that discourages buyers from engaging in new deals and fabric purchases.

The numbers tell a compelling part of this story. Textile and apparel exports from India contracted by 11.3% in June and 12.2% in May compared to the same period in the previous year. In June 2023, spun yarn exports fell from 115.5 million kgs in May to 81.4 million kgs, marking a decrease of 29.5%. Similarly, cotton yarn exports also dipped in June, from 89.2 million kgs in May to 67.6 million kgs, a reduction of 24.2%.

**Dealers' chess game: The wait-and-see approach and manufacturers' challenges**

Dealers are currently choosing to step back, adopting a 'wait and watch' stance. They are patiently waiting for the fog of uncertainty to lift before making their next move. This cautious approach underscores their desire for more clarity in the market's ever-shifting landscape. Meanwhile, manufacturers catering to local markets are finding themselves in a challenging position. A lack of order placements from brands is resulting in a heavy burden of finished inventories. The consequence? A blockage of funds and delayed preparations for the winter season, pushing them further into unchartered waters.

**Denim capacity utilization dilemma**

Denim capacity utilisation has plummeted to less than 45%, indicating the severity of the challenges faced by denim plants and export-oriented manufacturers. Denim plants with in-house spinning facilities are now looking to sell their yarn in the market. Export-oriented manufacturers are also experiencing difficulties, with some even shutting down operations on weekends. Currently, their capacities are functioning at less than 50%.

**Cotton prices and its impact**

The price of S-6 cotton paints a stark picture of the current scenario in the Indian yarn market. Over a span of just 73 days, from May 1st to July 13th in FY23, cotton prices plummeted from Rs 61,750/candy to Rs 56,000/candy, indicating a staggering decline of Rs 5,750 a candy. This sharp decrease becomes even more alarming when compared to the peak levels of the cotton season, where prices reached a high of Rs 71,800/candy. This translates to a significant decrease of Rs 15,800/candy from the season's peak. The continuous downward trend in cotton prices forced buyers in the value chain to adopt a cautious approach till 14th July, 23, delaying their buying decisions However, it is only after 14th July 23 that the prices started increasing and reached up to Rs 57000/candy, thereby helping in yarn momentum to an extent.

**Repercussions for spinning mills**

The distress in demand has had severe repercussions for spinning mills in India. Yarn prices eased faster than cotton prices due to sluggish demand from both the export and domestic sectors. As a result, spinning mills find themselves incurring cash losses. Many spinning mills who were overly aggressive, chasing growth at all costs, expanding too quickly or just don't have a point of differentiation have suffered, quickly pivoting into cost cutting mode.

Furthermore, the high inventory of expensive cotton further adds to their challenges. This dire situation has led to spinning mills in Coimbatore declaring a halt in production and the sale of yarn starting from July 15th, indicating the severity of the issue. Although some of the spinning mills have agreed to restart production this week, but will their demands be met is a question.

**The value chain and crop forecasting**

Ironically, the entire value chain, from farmers to ginners and spinners, has suffered this season. Besides demand, misleading figures regarding crop size also played a villain. The estimation of a crop size of 298.5 lakh bales by the Cotton Association of India in May led value chain to anticipate a cotton shortage. However, the actual figures indicate that the crop size might soar to 330-340 lakh bales.

In fact, the CAI meeting on July 10th, 2023 reported an increase in the projected cotton crop for the season 2022-2023 by 12.83 lakh bales to 311.18 lakh bales, while projecting a reduction of exports by

*...Contd. On Page 9*

**CEO & Publisher**
D. J. Gohain*
**Managing Editor**
Reena Mital
**Marketing**
Ashish Panchal
7600123156
ashish@textileexcellence.com
**DyeChem World Exhibition**
KS Farid
**Production**
Ratilal Ladani
**Administration**
Tanulima M Gohain
Minal P Malusare
**Bangladesh**
R. K. Dey
+88-01711145000
tradeimpex2001@gmail.com
**China**
Zhang Hua
(intl_business@126.com)
Cell(whatsapp,wechat)
+86 13522898423
Skype: intl_business
**Iran**
Dr. Mohammad Mirjalili
Sima Nassaj Resarch & Engineering Co.
+98 9132747284
+98 9133519362
sima.nassaj@gmail.com
*Responsible for selection of news under the PRB Act.

Printed and published by **Dibya Jyoti Gohain** on behalf of **3i Publishing Pvt. Ltd**, printed at Mangal Paper Mart. Unit No. D-3, Akruli Industrial Estate, Akurli Road, Kandivali (East), Mumbai 400 101 and published from Unit No. 711, 7th Floor, The Summit Business Bay, Weh Metro Station, Andheri-Kurla Road, Andheri (East), Mumbai 400 093.

Editor: Dibya Jyoti Gohain

# Initial Estimates For The 2023 European Flax Harvest

## *European Flax Volumes Could Go Down In 2023*

Aditya Mody

Flax linen had made strong inroads into the global textile value chain. And this is good news for sustainability as it reduces the pressure on cotton and polyester. Let's take a quick look at the initial harvest estimates for European flax, for 2023.

According to the Alliance For European Flax, weather conditions in recent weeks have had an impact on the initial outlook for the 2023 flax harvest, for which pulling has just begun.

Weather impacted the growing season for flax this year. Alternating periods of dry spells and intense rainfall hampered early agricultural work that is so crucial for flax. This year was a particularly long sowing season from March till the beginning of May, instead of the usual mid-May.

The Alliance has reported an estimated increase of 2% compared with 2022, increasing total flax hectares to 147,000.

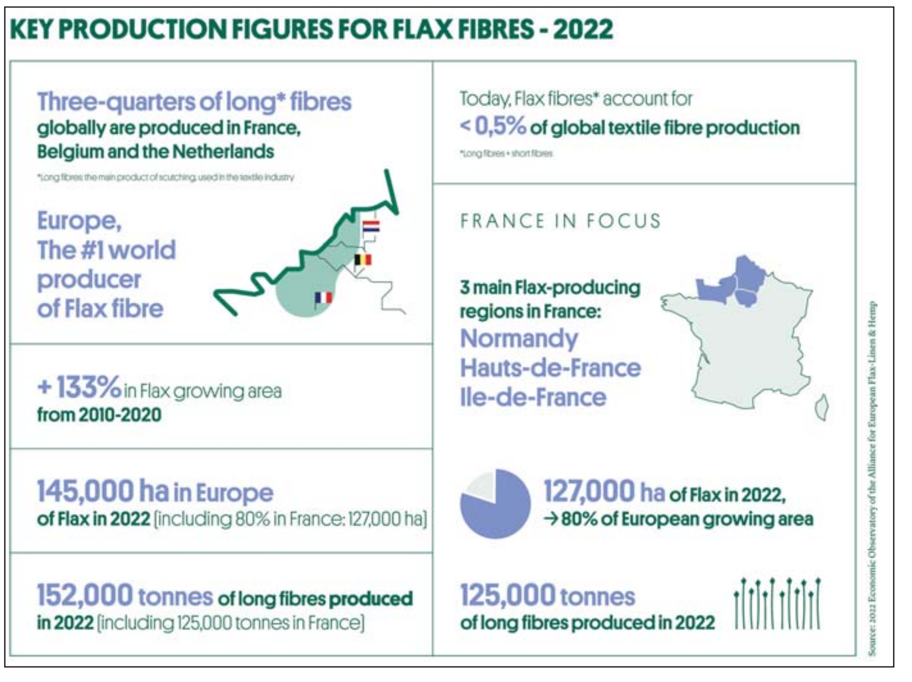
Farmers and scutchers are generally optimistic about the market.

While diversity of flax qualities has been generally preserved, initial estimates suggest that flax is shorter than normal this season. For 2023, yields varied between 3.5 and 5.5 tons of straw per hectare (6-7 tons of straw in normal years) with peaks of up to 7 tonnes for the very best plots. Under normal retting conditions, this would lead to an estimated 26%-36% drop in fibre volumes.

During the current scutching cycle, between July 2022 and April 2023 (latest available data), long fibre production has increased by 3.3%, up to 125,264 tons, compared with the same period during the previous season (July 2021-April 2022).

This harvest will be scutched in autumn 2023 together with flax from the previous harvest. Monthly fibre production could drop in early 2024.

Winter flax, which has existed in the industry for twenty years, and which was originally developed to meet rising market demand, occupies 10,000-11,000 hectares in 2023, or twice the area compared with the previous year.




Flax breeders are learnt to be innovating with new varieties to better address climate challenges.

**Conclusion**

The supply for the spring/summer 2024 season - still underway - will be little affected by a potential deficit in flax fibre production caused by the 2023 harvest. Fibres from this harvest will only be extracted once the agricultural cycle is complete (pulling and then retting in the field) and the flax has been sent to scutching mills, i.e., in autumn 2023.

The spring/summer 2024 collections contain yarn and fabric made with different batches of fibres from several years.

For 2024, the industry is already anticipating a significant increase in winter flax areas in addition to an increase in spring flax in 2024, as well as an adaptation to scutching to smooth out the impact of the 2023 harvest.

With a demand for natural fibres on the rise and production capacity increasing more slowly, there is pressure on the flax market (over-the-counter market). Flax has historically high and volatile prices, a tension that should last several more months. ■

*(Aditya Mody is President, Non-Conventional Fibres Association)*

# Geopolitical Disarray And Distress In Demand...

*....Contd. From Page 8*

4 lakh bales to 16 lakh bales. Fast forward to July 21st, 2023, and 298 lakh bales have already made their arrival, with 256 lakh bales already consumed. The export tally stands at 13 lakh bales, and imports are close behind at 12.5 lakh bales. The expectation is that the carry forward shall be close to 30-35 lakh bales.

**Need for accurate forecasting**

The lack of accurate crop forecasting and consumption figures hinders progress and highlights the need for adopting reliable methods for forecasting crops and understanding consumption patterns. Accurate forecasting methods and reliable data are essential for informed decision-making and effective planning.

**Challenges and future outlook**

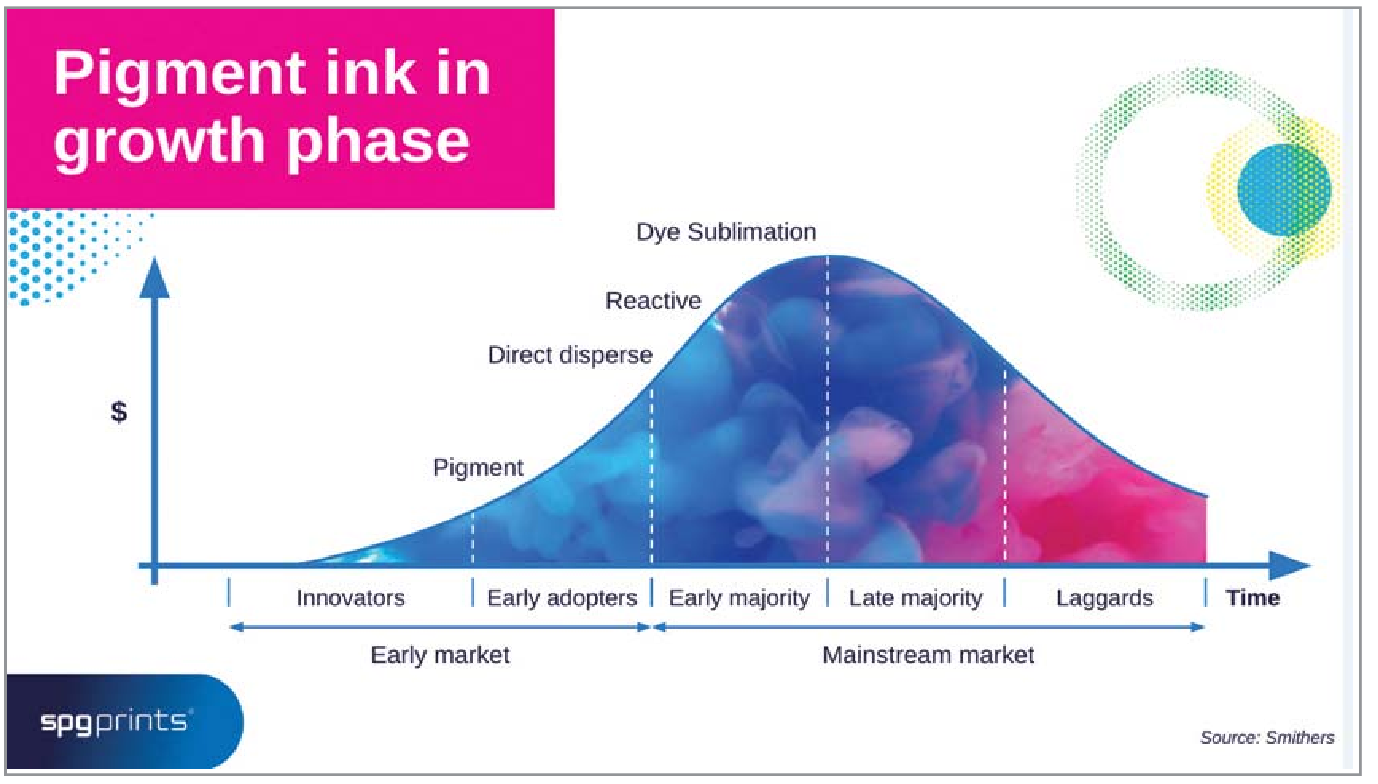
The textile industry is grappling with a trio of formidable challenges. The distress in demand, inaccurate crop forecasting, and shifting consumer preferences for clothing - a necessity only surpassed by food, energy, and the need to service increasing interest rates - have collectively thrown a spanner in the industry's growth and profitability. Regrettably, the horizon offers little promise of a clear sky. The trend seems set on its course, and the capital environment, strained and taut, is expected to extend its influence well into 2024.

While whispers of a big new wave echo in the media, the reality paints a different picture. The bustling activity in the retail sector has hit the pause button, taking a breather. The pressure on consumer purchasing power, now more intentional and discerning, is another significant factor. However, this pressure is expected to ease off only when inflation starts to relent. While the depletion in demand is a challenge that offers little room for manoeuvre, there are other areas where proactive steps can make a difference. It is crucial for all stakeholders to adopt accurate forecasting methods, rely on reliable data, and foster informed decision-making. These are the compass, map, and rudder that can help navigate the stormy seas of these challenges, steering the industry towards calmer waters. ■

*(Balkrishan Sharma is Joint President & Business Head- Spinning, Ginni Filaments)*

# Benefits Of Pigment Inks In Digital Textile Printing

The demand for digital pigment ink solutions for textile printing is increasing, driven by improvements in availability, performance, and quality. Pigment inks are also a more sustainable alternative, which makes them increasingly attractive to environmentally aware businesses. However, there are still some preconceptions about pigment printing in digital. In this blog, we explain why these preconceptions are unjustified and explore the benefits of using pigment inks in digital textile printing.




**Why consider digital textile printing?**

Pigment inks are a popular choice for conventional printing. In fact, around 60% of all conventional printed fabrics are printed using pigment ink (source: Smithers.com). The main benefits of using analog pigment are that it is fast, flexible, and cost-effective. However, the positives of pigments in conventional haven't really translated to digital printing. Until now.

Fast forward to today, and manufacturers have invested millions in developing digital printing pigment inks. Modern digital pigments deliver flawless results for blended, natural, synthetic fabrics. They're unique in their ability to work across several fabric types. In 2023, pigment printing can be a qualitative and reliable solution for your textile printing business. Here are some of the benefits it can bring:

> "Pigment inks are a popular choice for conventional printing. In fact, around 60% of all conventional printed fabrics are printed using pigment ink. The main benefits of using analog pigment are that it is fast, flexible, and cost-effective."

**Pigment inks are compatible with blended fabrics**

Pigment printing, as opposed to reactive printing, is particularly well suited for blended fabrics. Today, there's no other digital ink available for blended fabrics. Furthermore, pigment inks are compatible with natural and synthetic fabrics, making it the most versatile option.

Because pigment ink adheres on top of the material, it is especially useful for polyester/cotton fabrics: a combination that is exceeding sportswear and gaining increasing popularity in the casual clothing market.

**Pigment inks cut your company's carbon footprint**

Digital pigment inks reduce the number of steps taken in the printing process. There's no need to steam and wash the fabrics after printing, saving time and energy. In a world where the public, policymakers, and customers are increasingly interested in your environmental impact, removing the need to steam and wash fabrics can dramatically reduce your company's carbon footprint. Switching to digital pigment printing demonstrates your commitment to becoming more environmentally friendly and operationally sustainable.

**Improved colour quality and hand-feel**

The fastness and colour brightness of digital pigment inks have substantially improved. Today, the results are almost indistinguishable from reactive and sublimation fabric printing techniques.

Innovations in ink chemistry and pre-treatment of the fabric improve the quality of printed textiles. Because pigment doesn't have a binding characteristic, previous aqueous pigment inks suffered from lower wash fastness than other digital inks. By correctly pre-treating fabrics, you can ensure high colour brilliance and significantly increase the quality of finished fabrics. While this does involve extra handling, it pays off in the finished product: soft and smooth fabrics suitable for the high standards of the fashion industry.

That said, SPGPrints Pigment Alcon-N ink does have a binder as part of the formulation. This eliminates the absolute must to apply a pre-treatment. Depending on the print job, you can take colour and wash fastness to an even higher level with pre-treatment or possibly post-treatment.

**Excellent light fastness**

Colour fastness is a critical factor for the industry, and innovations are delivering. One of the outstanding characteristics of pigment inks can be found in excellent light fastness.

This makes digital pigment printing an ideal option for home and outdoor textiles. Excellent light fastness doesn't mean compromises in wash fastness. Pre-treatment ensures colours to remain vivid and vibrant to allow the applications to be used in fashion market as well.

**Improved operational efficiency and runnability**

Developments in pigment inks go fast to make them better suitable for more and more printing machines without causing any downtime. SPGPrint's Pigment Alcon-N uses advanced nanotechnology to reduce particle size, which, alongside improved binders, have developed. Both improvements have eliminated issues related to clogging nozzles and downtime, leading to optimal runnability. So your operations keep running smoothly and efficiently.

**Considering digital pigment printing? A cost-effective solution**

Digital printing is a cost-effective solution to your printing needs. While it may not replace all printing requirements, it offers substantial benefits that businesses can introduce to their existing operations.

SPGPrints also offers pigment inks and can provide you with expert advice on how to achieve optimal results. It is also a reliable solution, as the ink runs stable on all sorts of printers. SPG's Pigment Alcon-N is available in eight colours and compatible with Kyocera and Konica Minolta print heads. It is available together with SPGPrints Jasmine and Violet digital textile printers. ■

***(SPGPrints)***

# Artificial Fashion: 6 Overlooked Ways AI Will Transform Fashion Design

Conversational artificial intelligence technologies like Chat GPT have been the topic of countless water cooler talks, including the ones in which we all asked the bot whether or not it would take over our jobs.

In the fashion world, we've seen visual AI tools create beautiful designs. Independent artists displayed their AI-generated version of renaissance-inspired Nike streetwear, dedicated tech tools were created specifically for designing collections, and one thing became very clear: AI is finally really here.

But as is often the case, we tend to get caught up in all the design-focused commotion, losing track of other, more meaningful implications of this ground-breaking technology. To help us all gain this much-needed focus, here are six influences of AI on the retail and fashion world that might have escaped you, but not anymore.

**Customization leaps forward**

Shoppers have wanted to design their own clothes for quite some time, and there are excellent platforms and services inviting them to do so. But what may have prevented many from taking on this task was the simple understanding that not everyone is a designer.

We all have ideas and thoughts, but many of us needed a way to turn them into illustrated designs that vendors can manufacture. Well, the solution is here. Writing detailed prompts for AI engines will result in numerous design options to choose from, making the path from thought to product quicker and simpler than ever. Everyone's a fashion designer now.

**Small fashion businesses will flourish**

When those amateur designers realise that their thoughts-turned-products generate interest, they might consider turning this fun hobby into a real business. For this purpose, they will need the right network of vendors and fulfillers who can help them execute their business vision on a broader level. Solutions like the Kornit? Global Fulfillment Network will get them in touch with everyone they need to succeed in this task.

**Things move even faster**

If you thought the market was moving at a crazy fast pace, get ready for the era of AI. Collections will be generated in a tap, and customers will expect them at their front step the next day. Developing effective on-demand production lines is already a must for businesses, and this advancement makes it a non-negotiable. Businesses will harness solutions that can guarantee speed without compromising quality, like the new MAX line of systems by Kornit.

**Digital is the only way**

Some businesses have debated between screen printing and advanced tech capabilities. When the world takes another leap toward enhanced digitization, the answer is clear. Shoppers, vendors, and investors will all seek the most advanced digital solution, and businesses that have yet to make that transition are about to find themselves out of the game. Businesses will also use more digital solutions to improve their productivity and cost-effectiveness, making performance data and tools like Kornit Konnect more common.

**Creativity will flourish**

For better or worse, amateur designers have never heard of some limitations that professionals in the field have been accepting as axioms for decades. They are about to ask for things that we have grown to consider impossible, making them more than possible as a result. Creative capabilities will have to become more flexible and groundbreaking, making things like 3D decorations (hey Kornit XDi, we're looking at you) an absolute must. The same goes for printing on multiple fabrics, using any ink colour imaginable.

**We can all dream bigger**

When creativity is enhanced, everyone is given a chance to design, and effective autonomous operations make it all happen — the sky's truly the limit. Instead of fearing AI, we should be excited to see what it has in store and how we can harness it to make life easier and more creative. ■

***(Kornit Digital)***

# India-ASEAN Free Trade Agreement Most Ill-Conceived: Goyal

## The trade-in goods agreement came into force between the 10-member Association of Southeast Asian Nations (ASEAN) and India on January 1, 2010.

Commerce and Industry Minister Piyush Goyal criticised the previous governments for allegedly not doing sufficient stakeholder consultations on free trade agreements, saying the India-ASEAN FTA is "most ill-conceived" and unfair to the domestic industry. Goyal also said that in the free trade agreements with Japan and Korea, India has opened its markets for the two countries, but they have not allowed Indian exports to their country.

The trade-in goods agreement came into force between the 10-member Association of Southeast Asian Nations (ASEAN) and India on January 1, 2010. Similarly, India and Japan implemented the Comprehensive Economic Partnership Agreement (CEPA) in August 2011. A similar pact with Korea was implemented in January 2010. India is seeking a review of these trade pacts. The "ASEAN agreement is the most ill-conceived agreement. If anyone would have read that, it is so unfair to Indian industry," he said here at a function of chemicals and petrochemicals industry.

The minister said that India's exports to Japan have not grown "at all", but imports from Japan have jumped 200%. "If they (UPA-government) had done stakeholders engagements and if they had understood from you (industry) all the pain points, we would not have seen this day that we are requesting them and asking them to renegotiate with us the FTA to make it more balanced, fair and equitable". India's exports to Japan dipped to US$ 5.46 billion in 2022-23 from US$ 6.17 billion in 2021-22.

However, imports have increased to US$ 16.5 billion in 2022-23 from US$ 14.4 billion in 2021-22. India's exports to South Korea fell to US$ 6.65 billion in 2022-23 from US$ 8 billion in 2021-22. However, imports rose to US$ 21.22 billion in 2022-23 from US$ 17.5 billion in 2021-22. Similarly, the country's exports to the ASEAN bloc have increased to US$ 44 billion in 2022-23 from US$ 42.32 billion in 2021-22. Imports too have risen to US$ 87.57 billion in 2022-23 from US$ 68 billion in 2021-22. The ten Asean members are Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam. ■

# China's Cotton Imports In 2022/23 Fall To 5-Year Low

China's cotton imports in 2022/23 are forecast at the lowest level in five years at 6.4 million bales, less than half the volume witnessed two years earlier. Several factors have pressured demand: the highest domestic production in nine years, lower domestic prices relative to foreign, and less demand for government reserves.

China domestic use relative to production has become a more important factor driving import demand. This is especially true as stocks have fallen from historic levels witnessed nearly a decade ago. The country's most recent crop surged nearly 4 million bales above the previous year to 30.7 million while domestic use is forecast slightly below the 5-year average at 36.5 million bales.

Moreover, beginning stocks of domestic cotton in Xinjiang warehouses were more than 6 million bales above the previous year. This burdensome level of domestic cotton supplies put downward pressure on imports and spurred greater spinning of domestic lint.

Significantly higher import prices (e.g., A-index) relative to domestic also suppressed demand. To start the marketing year, the domestic cotton price (delivered to a Chinese mill) was roughly 40 cents lower compared with imports (including the customs cleared 1% import tariff and 9% Value Added Tax). This was a drastic change compared with a year earlier when China's domestic cotton price was over 10 cents higher compared with the customs cleared A-Index.

China's state reserves of foreign cotton are perceived to be at a high level after three consecutive years of large purchases. Most are of US origin and attributed to the government's continuing efforts to replenish state reserves. Over half of China's US cotton imports since the Phase One Agreement are likely still in state warehouses or in the government purview, contrary to imports channelled for domestic use. During the first 10 months of the marketing year, the United States supplied over half of China imports, reaching the highest market share in nearly 15 years.

Imports in MY 2023/24 are forecast to rise 3.4 million bales to 9.8 million. China production is projected to fall more than 3.7 million bales to 27 million and beginning stocks for commercial enterprises are expected down from the previous year's robust level. With potential for greater sales of imported cotton from government reserves, higher imports are expected to replenish state inventories.

**2023/24 Outlook**

Production is mostly unchanged at 116.8 million bales as higher Pakistan production offsets lower crops in Argentina and Australia.

Consumption is roughly 600,000 bales lower this month to 116.4 million, led by weaker consumption prospects in China, Bangladesh, Vietnam, and Turkey more than offsetting stronger use in Pakistan.

Domestic use is now forecast 6.7 million bales higher compared with the previous year, a 6% growth rate if realised.

Global trade is forecast down slightly to 43.5 million bales, but over 6 million higher compared with the previous year. Higher exportable supplies in Brazil more than offset lower US, Australia, and India shipments.

Global ending stocks are up more than 1.7 million bales to 94.5 million, the highest expected level in years and mostly owed to higher carry-in and lower consumption. The US season-average farm price for 2023/24 is forecast down 1 cent to 76 cents.

**2022/23 Outlook**

Production is estimated up more than 1.7 million bales this month to 118.0 million as larger crops in Brazil, India, and Australia more than offset slightly lower production in Argentina. Consumption is projected up more than 500,000 bales this month to 109.7 million with higher use in India supported by stronger operating rates.

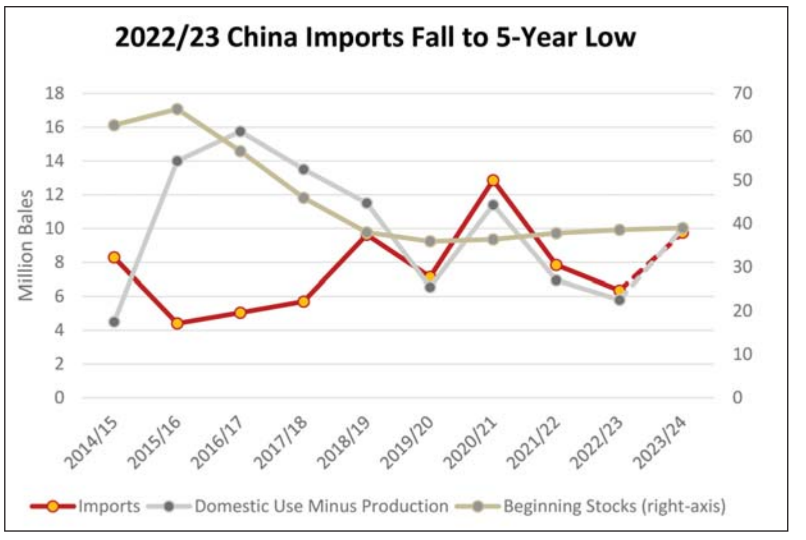
Global trade is mostly unchanged relative to last month. Global ending stocks are up more than 1 million bales to 93.8 million due to higher production in Southern Hemisphere countries. The US season-average farm price for 2022/23 is unchanged at 82 cents.

**Futures and Spot Prices**

Cotton futures were mostly lower since last month's WASDE with prices on the Intercontinental Exchange (ICE) settling at roughly 80 cents per pound and US spot prices now reflecting the lower priced new-crop contract (Dec-23). Last month, December futures were roughly 5 cents lower compared with the old-crop contract and have thus driven lower US spot prices. Higher US interest rate prospects and economic concerns in China continue to pressure many commodities including cotton. This outweighs recently strong US export sales, especially from China, as buyers take advantage of a fall below 80 cents on the exchange.

All spot prices were lower compared with last month and mostly reflect the changes in new crop futures and uncertain consumption prospects for cotton. Pakistan witnessed the most dramatic downfall at over 10 cents and likely reflects a greater volume of transactions as new crop arrives in local gin yards.

Pakistan production is forecast up more than 2.5 million bales relative to last year, and demand prospects are slowly recovering from the current year's lowest level in over 20 years. This is also reflected in the lower Pakistan basis compared with the previous year. China was the only origin mostly unchanged, and spot prices in local currency (yuan) were in fact higher compared with last month. Lower prospects for China production continue to support domestic prices. ■




Source: FAS estimation using data from Trade Data Monitor.

**2023/24 Trade Outlook (*1,000 480-lb Bales*)**

**Major Importers:**

| | Previous | Current | Change | Reason |
|---|---|---|---|---|
| WORLD | 43,738 | **43,488** | -250 | |
| **Pakistan** | 4,500 | **4,200** | -300 | Larger crop |
| **China** | 9,500 | **9,750** | 250 | Greater demand for reserves |
| **Bangladesh** | 8,100 | **8,000** | -100 | Lower consumption |
| **Indonesia** | 2,300 | **2,400** | 100 | Bolster lower stocks |
| **Turkey** | 4,400 | **4,300** | -100 | Lower consumption |
| **Vietnam** | 7,100 | **7,000** | -100 | Lower consumption |

**Major Exporters:**

| | Previous | Current | Change | Reason |
|---|---|---|---|---|
| WORLD | 43,750 | **43,510** | -240 | |
| **Brazil** | 9,250 | **9,750** | 500 | Larger exportable supplies |
| **United States** | 14,000 | **13,750** | -250 | Weaker global demand |
| **Australia** | 6,000 | **5,800** | -200 | Less production |
| **India** | 2,400 | **2,200** | -200 | Weaker global demand |

**2022/23 Trade Outlook (*1,000 480-lb Bales*)**

**Major Importers:**

| | Previous | Current | Change | Reason |
|---|---|---|---|---|
| WORLD | 37,132 | **37,114** | -18 | |
| **China** | 6,500 | **6,350** | -150 | Import data |
| **Bangladesh** | 6,700 | **6,600** | -100 | Import data |
| **Vietnam** | 6,350 | **6,450** | 100 | Import data |
| **Indonesia** | 1,500 | **1,600** | 100 | Import data |

**Major Exporters:**

| | Previous | Current | Change | Reason |
|---|---|---|---|---|
| WORLD | 37,783 | **37,558** | -225 | |
| **Australia** | 6,700 | **6,600** | -100 | Export data |
| **United States** | 13,000 | **12,900** | -100 | Export data |

# Fashion Industry Gives A Boost To Green Shipping : Maersk

- Ships running on biofuels account for 2% of Maersk volumes
- Fashion biggest sector choosing its ECO Delivery contracts
- Company hopes industry will help push for methanol fuel

Fashion brands are a key driver of demand for green shipping fuels, according to shipping group Maersk, as the sector faces pressure from consumers and regulators to reduce their climate footprint.

Retailers ship huge volumes of clothes from production centres in countries such as China, Vietnam and Bangladesh to consumers around the world, causing carbon dioxide emissions. Overall, the textile industry is estimated to be responsible for between 2% and 8% of global greenhouse gas emissions, according to a United Nations Environment Programme report published last month.

The shipping industry, which itself aims to achieve net-zero emissions by 2050, has begun offering low-emission fuels such as biofuels made from cooking oil and food waste or methanol produced from renewable energy as an alternative to fuel oil.

The fashion industry accounted for 26% of the more than 240,000 containers that Maersk shipped last year using biofuels under its ECO Delivery contracts, making it the biggest sector using the low-emission fuel service, the company said.

"Many of the fashion brands have actually been the ones going for this," Josue Alzamora, global head of lifestyle vertical at Maersk, said at this week's Global Fashion Summit in Copenhagen. "Of course, fashion companies also feel the pressure from consumers," Alzamora said.

Nearly one out of 10 containers Maersk, the number two global ocean container shipping firm, handled for owners of fashion brands last year was shipped using biofuels, he said.

The ECO Delivery contracts are sold at a premium to regular shipping.

**Methanol push**

Many fashion brands and other retailers are looking at how they can respond to environmental issues raised by their often young and relatively affluent client bases, with companies pledging to cut emissions and reduce climate impact.

H&M, the world's second biggest fashion retailer, said in 2022 that over the past two years it had purchased eco fuel for a "significant share" of its ocean transports. It has stated its ambition to become "climate positive" by 2040. "H&M was one of the first companies to join the journey with us for biofuel," Alzamora said.

Retail giants including Amazon and IKEA have committed to switching fully to zero-carbon fuel shipping by 2040. Biofuels can reduce emissions in container shipping by more than 80% compared to standard fuel oil. Still, vessels running on biofuels only accounted for around 2% of Maersk's total seaborne volumes last year.

Interest is also now also growing in methanol as an alternative fuel. Maersk has ordered 25 such vessels with the first delivery in September.

In total, shipping companies have ordered more than 100 vessels that can operate on both fuel oil and methanol, according to Maersk. However, sourcing greener fuels such as methanol remains a challenge as the industry is still in its infancy.

"The fashion industry helps us to move the needle when it comes to getting more methanol produced," Alzamora said, pointing to the demand from the industry for alternatives given it is one of the biggest sectors for container shipping. ■

# How Brexit Has Impacted UK-EU Textile Trade

A new report has detailed the impact Brexit has had on the UK's fashion and textile industry, and outlined five recommendations to support future growth.

The report was jointly published by the Business of Fashion, Textiles and Technology (BFTT) led by the University of the Arts London, and the Future Fashion Factory (FFF) led by the University of Leeds.

Adam Mansell, the head of the UK Fashion and Textile Association (UKFT), who acted as chair of the project, described the UK's departure from the EU as "the biggest change in the global trading environment in decades".

He noted that the EU accounts for about 75% of the UK's fashion and textile exports and over 30% of its imports, meaning the implications "were always going to be hugely significant".

He continued: "Despite the rhetoric, the UK EU Trade Continuity Agreement was not the simplest trade deal ever negotiated. The reality is (and was always going to be) a new trading relationship with significant administrative burdens, with a large increase in costs and with more limited movement of people and product."

**'New trading difficulties'**

Mansell said confidence in the UK as a supply base has "fallen sharply" with many European companies opting not to do business with the country "due to the new trading difficulties". He said he thinks these difficulties will only increase in light of the development of the EU's "ambitious and comprehensive" textile sustainability strategy.

> "The EU accounts for about 75% of the UK's fashion and textile exports and over 30% of its imports, meaning the implications were always going to be hugely significant. confidence in the UK as a supply base has fallen sharply with many European companies"

"The strategy will see a dramatic increase in legislation requiring better monitoring and reporting for all fashion and textiles sold in the EU and will apply to UK suppliers," he said. The report highlights some of the key issues faced by the UK's fashion and textile industry, with a particular focus on SMEs and micro businesses who make up over 80% of the sector.

However, it also highlights "the resilience and adaptability" of UK fashion and textile companies when faced with challenges like Brexit and Covid-19. "Innovation, a highly skilled workforce and a relentless focus on sustainability will be the key drivers for any successful industry and the UK fashion and textile sector has all of those," Mansell said.

The report put forward five key recommendations to help support the continued growth of the UK Fashion, Textile and Technology industry in the UK.

1. Reduce cost and complexity of trade post-Brexit, to increase access to global markets and improve competitiveness, particularly for start-ups and SMEs, e.g. through tax breaks, transparency, and clear guidelines.

2. Grow capacity and competency of the UK FTT sector, to reduce carbon footprint and create employment opportunities, e.g. through business development support, government subsidies, grants and incentives, training, and visa programmes for skilled workers.

3. Build resilience post-Covid-19 through agility, flexibility and diversification to protect financial sustainability of FTT businesses, e.g. through business guidance, mentorship and training.

4. Drive digital innovation in the FTT sector, to increase capacity, efficiency and sustainability e.g. through increased access to digital tools and training, particularly for start-ups and SMEs.

5. Prioritise sustainable and ethical practices to address the climate crisis, improve health and equity for all, e.g. through legislation, government incentives and grants, investment in infrastructure, accreditation and business guidance. ■

# M&S Plans To Boost Textile Imports From Pakistan

- British multinational retailer seeks to enhance imports of textile products.
- M&S experts to visit Pakistan in September to interact with textile mills.
- APTMA invites M&S delegation to open their sourcing offices in Pakistan.

British multinational retailer Marks & Spencer Group wants to enhance imports of textile products such as woven garments, denim, and towels from Pakistan, it is learnt.

Experts from M&S will visit Pakistan in September to interact with the textile mills, Unsal Erdogan, Marks & Spencer Group country manager for Turkey, said during a meeting with the All Pakistan Textile Mills Association (APTMA).

He was heading a delegation consisting of Funda Binoz, M&S's business area manager for menswear, homeware, lingerie, outlets, and merchandisers named Buket Ferreira and Seher Sbirakmaz. Erdogan said the group will import woven garments, denim, socks, towels, graphic design T-shirts, and polo shirts from Pakistan.

The delegation members showed interest in knowing about the potential of Pakistan's textile industry and its upcoming challenges, according to APTMA.

APTMA Chairman for North Zone Hamid Zaman invited the M&S delegation to open their sourcing offices in Pakistan. He believed that GSP+ allows access to Pakistani exports to compete with its competitors, such as Bangladesh and Sri Lanka, and opens a window for Pakistani exports to Europe.

Zaman was hopeful that the GSP+ facility would be renewed for Pakistan.

"Pakistan is complying with 27 conventions relating to human rights, environment, labour rights, narcotics control, corruption control, gender rights, etc. The country's compliance with six new conventions will further uplift Pakistan's image," he said.

Former APTMA chief Aamir Fayyaz said the textile industry has the potential to increase exports to US$ 50 billion with a setup of more stitching units in the country. According to Fayyaz, the textile industry is enjoying a competitive edge in terms of labour wages, devaluation of local currency, and a young workforce in the country. ■

# Best Countries To Start A Fashion Business

With the revenue of the global apparel market expected to grow by 11% in the next four years, it comes as no surprise that more and more people are looking to start a fashion business.

With that in mind, the wholesale experts at JOOR conducted a study to find out which are the best countries to start a fashion business.

JOOR's index study considers the following factors: country population, import and export figures, apparel market valuation, and number and valuation of 'unicorn companies' in the consumer and retail market (in business, a unicorn is a privately held startup company valued at over US$ 1 billion). After analysing all the factors above, a final score was created to identify the best countries to start a fashion business.

**The best countries to start a fashion business**

| The best countries to start a fashion business | | | | | | |
|---|---|---|---|---|---|---|
| **Country** | **Population** | **Export/ Imports** | **Average Apparel Market Value Annual Growth (%)** | **Number of unicorn companies per 1 mil people** | **Unicorn Startups Sum of Valuation (Billion£)** | **Final Business Score/10** |
| **United States** | 331,002,651 | 6.9903 | 2.70% | 0.227 | 178.43 | 9.27 |
| **United Kingdom** | 67,886,011 | 5.5703 | 3.00% | 0.044 | 3.35 | 8.61 |
| **Canada** | 37,742,154 | 6.69 | 3.50% | 0.079 | 12.35 | 8.48 |
| **Germany** | 83,783,942 | 2.0868 | 2.20% | 0.107 | 11.08 | 7.93 |
| **China** | 1,439,323,776 | 0.1274 | 6.30% | 0.035 | 182.6 | 7.88 |
| **France** | 65,273,511 | 2.8178 | 1.40% | 0.107 | 14.42 | 7.83 |
| **Colombia** | 50,882,891 | 3.2831 | 10.90% | 0.039 | 4.8 | 7.77 |
| **India** | 1,380,004,385 | 0.2418 | 7.40% | 0.019 | 53.5 | 7.62 |
| **Norway** | 5,421,241 | 22.6293 | 1.50% | 0.369 | 1.52 | 7.54 |
| **Singapore** | 5,850,342 | 6.6794 | 2.90% | 0.513 | 3.1 | 7.53 |

*The best countries to start a fashion businessNote: Export/Import ratio is a value that compares the value of a country's exports (in the clothing and textiles industry) to the value of imports. A value greater than 1 suggests a country exports more whilst a value less than 1 indicates a trade deficit, the country imports more than it exports.*

Accordin to JOOR, based on the above factors, the best country to start a fashion business is the United States, with a score of 9.27 out of 10. The 'land of opportunity' has an impressive valuation of GBP 178.43 billion when it comes to consumer and retail unicorn startups, giving a lot of hope to new entrepreneurs who want to start a fashion business. Furthermore, the export/import ratio of 6.99 shows that there is a higher export efflux, suggesting a surplus of materials and a well-performing market. When it comes to market value, the study shows an annual growth rate of 2.7%.

In second place is the United Kingdom with a score of 8.61. Although the annual growth rate of the apparel market is higher than in the United States (3% annual growth), the valuation of unicorn startups in the consumer and retail space is significantly lower for the United Kingdom, at GBP 3.35 billion. The United Kingdom also exports more than it imports, having an export/import ratio of 5.57.

Canada is the third best country to start a fashion business, with a score of 8.48/10. The value of unicorn startups comes to GBP 12.35 billion, whilst the market value for fashion and retail grows at a steady rate of 3.5% yearly. Canada also exports more than it imports, having an export/import ratio of 6.69.

In fourth place is Germany, with a score of 7.93/10. When it comes to consumer and retail unicorn startups, the valuation sum for Germany is a whopping GBP 11.08 billion. Furthermore, the export/import ratio is 2.08, showing that Germany exports more than it imports. The apparel market value in Germany grows at a 2.20% rate yearly.

China is the fifth best country in the world to start a fashion business, with a score of 7.88/10. When it comes to unicorn startups for consumer and retail, China takes the lead, being valued at GBP 182.6 billion. Furthermore, China sees a tremendous annual growth rate for the apparel market value, at 6.30%. However, China also had the lowest export/import ratio in the top 10 countries, at only 0.12. ■

# UNDP Supports Employment In Türkiye's Textile Industry

## New US$ 2.5 million initiative prioritizes vocational training to meet industry needs while bringing vulnerable groups into the labour force.

The United Nations Development Programme (UNDP) announced a new US$ 2.5 million initiative to fill up to 3,500 vacant positions in the textile industry and related sectors in the earthquake-affected region while integrating women and other underserved groups into the labour market. The new programme, funded by the Government of Sweden with additional contributions from Korea and Finland, is aimed at addressing the acute labour shortages that have emerged with the outward migration of skilled workers from the south and southeast of Türkiye after the devastating earthquakes of February 2023.

The new initiative was announced at a UNDP-convened meeting of textile producers in Istanbul.

The programme builds on an ongoing UNDP partnership with the Education Foundation of the Istanbul Apparel Exporters' Association (IHKIB) that was forged in 2022 with an eye to finding durable employment for unemployed Syrian refugees and host community members in "labour-absorptive" industries like textiles. The idea here was to challenge the stereotype that refugees were "stealing" jobs from host community members by identifying labour market sectors where demand for workers was going unmet. Even before the earthquakes, the textile industry was experiencing a voracious need for new workers.

"The earthquakes have stood our assumptions on their heads," said UNDP Resident Representative Louisa Vinton. "Now we see an entire region where industrial producers are growing desperate to find and retain employees. So the solution we aim to apply together with our private sector partners is to provide vocational training as widely as possible to bring women and other underrepresented groups into the workforce."

UNDP is focusing on the textile sector (including also apparel and shoes) owing to its overall role in the Turkish economy – it accounts for around 7% of GDP and 2.9% of exports and employs up to 2.5 million people overall – and its outsize role in the 11 earthquake-affected provinces – where 1,616 garment and 1,290 textile companies operated before the disaster, employing up to 350,000 people. Estimates vary, but the earthquakes are believed to have reduced this number by more than half.

"The goal of the initiative that we are launching today is to create decent and sustainable job opportunities in the Turkish apparel and textile sectors for people who have been left jobless by the earthquakes, including refugees," said Ilker Karatas, IHKIB Education Foundation Board Member. "In helping vulnerable and traumatised people get back on their feet after the earthquakes, this project and similar support initiatives will also work to accelerate the recovery of vital industrial sectors, including textiles and apparel."

Based on a range of studies and guidelines presented at the meeting, UNDP plans in the short term to provide on-the-job vocational training to 500 newly hired textile workers in the earthquake zone, while extending broader life skills training and psychosocial support to 3,000 textile workers and their families. Psychosocial support has been identified unanimously by industry representatives as a key need for their workers, spurring a commitment by UNDP to establish a Vocational Mental Health Center in Hatay. While seeking to remedy labour shortages, UNDP will also work with employers to meet "decent work" standards.

Looking ahead, UNDP plans to expand the vocational training programme to ensure employment of at least another 3,000 people in the textile sector, and also to roll out a support programme oriented specifically to the needs of producers of handmade shoes in Hatay. These initiatives will be closely coordinated with an ongoing US$ 4.5 million UNDP programme to provide recovery grants to small businesses in all 11 earthquake-affected provinces, and additional vocational training, business support and social care initiatives that the organization has under way both within and outside the earthquake region. ■

# Wealth In Waste: India's Potential To Lead Circular Textile Sourcing

## A first-of-its-kind study, "Wealth in Waste: India's Potential to Bring Textile Waste Back into the Supply Chain", is the most comprehensive analysis of the Indian textile waste landscape.

Fashion for Good recently released a first-of-its-kind study - `Wealth In Waste : India's Potential To Bring Textile Waste back Into The Supply Chain'.

This is one of the most comprehensive analyses of the Indian textile waste landscape. With global fibre-to-fibre recycling increasing, India is in a unique position to leverage existing infrastructure and resources to emerge as a leader in capturing waste, implementing new sorting and recycling technologies, and reintroducing its textile waste back into the global market, securing its role as the leading circular sourcing region.

"Advanced recycling technologies are at the cusp of closing the textile-to textile recycling loop. The resources and materials are available, yet the infrastructure and systems to source and provide higher quality feedstock fall short. With mounting pressure to reduce reliance on virgin sources and decarbonise the industry, what can be reused, must be reused to its full potential," said Katrin Ley, Managing Director at Fashion for Good.

Commissioned by Fashion for Good as part of the Sorting for Circularity; India Project, the study was conducted in collaboration with Sattva Consulting, Saahas Zero Waste and Reverse Resources, specialist organisations in strategic impact, waste, resource and data management, and the scaling of textile recycling infrastructures.

To enable an effective transition towards circularity, the study attempts to fill the data gaps that exist in the textile waste landscape in India. By building a better understanding across three key streams, domestic post-consumer waste, pre-consumer waste and imported waste, and by mapping stakeholders, geographical flows and recognising challenges in the current infrastructure, the study aims to help ecosystem players to orchestrate actions and devise solutions and mediate accordingly.

"The industry stands to gain a clear map of the textile waste value chain in India, armed with a robust set of recommendations for action. This now forms a strong basis to move forward collaboratively to scale the investments, infrastructure and innovation needed to make circularity in fashion a reality in India," believes Anita Chester, Managing Director at Laudes India LLP.

Up to 7800 kilotonnes of textile waste is accumulated in India annually; the largest share of which, an estimated 51%, originates from Indian consumers – post-consumer waste, with factory waste and offcuts – pre-consumer waste, amounting to 42%, followed by imported waste that contributes a further 7%. India's textile waste accounts for 8.5% of the global total; only 59% of the textile waste in India finds its way back into the textile industry through reuse and recycling, with a mere fraction making it back into the global supply chain.

A lack of strict regulation, informal, and in some cases non-existent, traceability systems, excessive cost competitiveness and limited technological infrastructure to process certain waste types, has limited the potential of circular value chains so far. Detailing the bottlenecks in the current processing of waste, the study identifies materials that can be ranked according to their best potential through a waste value hierarchy framework as well as actions that can push the materials up the hierarchy in the future.

Outlining the potential for collaborative and systemic interventions to fortify circularity in the Indian textile waste industry and reintroduce it into the supply chain, the study presents a three-step approach to driving this transition:

- Enabling visibility and access to waste,
- Harnessing recycling potential of India, and
- Establishing systems, infrastructure and regulations for waste management. ■

# News In Brief

## Cambodia Approves Law On Rules Of Origin

The Cambodian National Assembly has approved a draft law on rules of origin. The new law will fill a current regulatory void by setting rules and principles on the origin of exports and imports under the country's preferential trade systems. It will determine the origins of Cambodian products for quality assurance purposes and brand protection, as well as provide an important tool to protect local producers from the illegal practice of importing goods then re-exporting them as Cambodian products.

The law complements Cambodia's bilateral, regional, free trade and multilateral agreements, such as the recently signed Regional Comprehensive Economic Partnership (RCEP) agreement; the Cambodia-China Free Trade Agreement; and Cambodia-Korea Free Trade Agreement. Once the law is implemented it will play a key role in facilitating Cambodian exports, particularly goods subject to preferential tariffs. The draft law consists of nine chapters and 35 articles which have been reviewed and revised with inputs from relevant institutions, such as the World Trade Organization and the UN Conference on Trade and Development.

## India, US Reach Agreement To End WTO Trade Disputes

The United States and India have agreed to terminate six outstanding World Trade Organisation (WTO) disputes through mutually agreed solutions according to a 22 June 2023 release from the Office of the United States Trade Representative. India will also eliminate customs duties on certain goods imported from the US. The six cases comprise three filed by India and three by the US, affecting primarily steel, aluminium, solar products and a number of agricultural items.

Under the agreement, the US has assured India that at least 70% of additional duties exemption requests for steel and 80% for aluminium originating from India will be excluded from the additional duties mandated by US law's Section 232. Under Section 232 the US subjected certain Indian steel and aluminium exports to 25% and 10% import duties respectively. In response, India imposed retaliatory tariffs on 28 goods from the US, including apples, almonds, walnuts, lentils, chickpeas, boric acid and diagnostic reagents. India has now agreed to remove these tariffs.

## Malaysia Cuts Stamp Duty To Attract Investors

Malaysia has announced new measures to attract investors and boost the country's capital market competitiveness. The Securities Commission Malaysia and the national exchange Bursa Malaysia Berhad (Bursa Malaysia) said the stamp duty rate for trading listed shares on Bursa Malaysia will be lowered to 0.10% from 0.15%, although the stamp duty cap of MYR1,000 (US$ 214.34) per contract will remain unchanged.

The Securities Commission and the Ministry of Finance also said they are exploring other measures to help attract family offices to the country; encourage corporations to boost local direct investment with new tax and incentive policies; and expand the definition of 'sophisticated' investors to include angel investors. The capital market regulators will also look at ways to simplify investment procedures to minimise market friction and expedite time-to-market for initial public offerings (IPOs), said the statement. ■

# CBP Extends Manufacturer Identification Code Replacement Test

US Customs and Border Protection has indicated that it needs more time to evaluate global business identifiers that could replace the manufacturer identification code (MID) and provide better information on foreign business entities, supply chain roles and related data.

Specifically, CBP is

- Extending the end date of its test of three potential GBIs from 21 July 2023 to 14 February 2024
- Clarifying that it will allow participants to transmit one or more of these three identifiers (but not all three) as part of the test
- Continuing to accept requests from importers of record and licensed customs brokers to participate in this test.

CBP states that while the MID has served the agency and the international trade community well in the past, it is not always a consistent or unique number and provides only limited identifying information. CBP has therefore developed the Global Business Identifier Evaluative Proof of Concept, an interagency project that aims to test and develop a single entity identifier solution that will improve the ability of CBP and partner government agencies to pinpoint high-risk shipments and facilitate legitimate trade; create a common language between government and industry; and improve data quality and efficiency for identification, enforcement and risk assessment.

Test participants will provide one or more of the following entity identifiers (in addition to other required entry data, which may include the MID) for manufacturers, shippers and sellers: the 20-digit Legal Entity Identifier, the nine-digit Data Universal Numbering System number and the 13-digit Global Location Number. Participants may also (but do not have to) provide these GBIs for exporters, distributors and packagers.

The test is limited to type 01 and 11 entries of alcohol, toys, seafood, personal items and medical devices in specified subheadings of HTSUS Chapters 3, 16, 22, 30, 33, 63, 90 and 95. CBP is also limiting the test to entries of imported goods with the following origins: mainland China, Australia, Canada, China, France, Italy, Mexico, New Zealand, Singapore, the United Kingdom and Vietnam. Additional products and origins may be added to the test later.

CBP will evaluate whether these three GBIs, singly or together, can ensure that CBP and partner government agencies receive standardised trade data in a universally compatible trade language. CBP has said that the aim is to develop a systematic, accurate and efficient method for the trade to report, and federal agencies to uniquely identify, legal business entities, their different business locations and addresses, and their various functions and supply chain roles. CBP believes it can further facilitate and secure trade by obtaining deeper insight into the legal structure of "who is who" across the spectrum of trade entities and by understanding more clearly ownership, affiliation and parent-subsidiary relationships. ■

# Results Of Review Of Section 301 Tariffs On Mainland Chinese Products Expected This Autumn

After enduring Section 301 tariffs on hundreds of billions of dollars' worth of imports from mainland China for more than five years, US importers could get at least some relief in the next few months.

The tariffs would have expired in the summer of 2022 but the Office of the US Trade Representative announced in September that it had received numerous requests to continue them. USTR subsequently opened a two-month comment period seeking input on whether the tariffs had been effective in remedying problematic mainland Chinese policies and practices, whether there are measures other than tariffs that might be more effective, and how the tariffs had impacted US consumers, manufacturers, workers, technology and supply chain resilience.

US Trade Representative Katherine Tai recently told members of Congress that her agency expects to complete its review this autumn. She indicated that USTR is open to changes to the tariffs, including removing them on some goods and adding them on others. Among other things, she said, USTR will be looking at "how to make the tariffs more strategic in light of impacts on sectors of the US economy as well as the goal of increasing domestic manufacturing." Tai also said USTR will consider "whether an additional tariff exclusions process may be warranted" as well as "ways a future exclusion could be altered to be more effective." More than 300 exclusions are still in place but are currently scheduled to expire on 30 September. ■

# Rieter POS Leads To Significant Production Increase At Ethiopia’s Adama Spinning Mills

From blowroom to winding, Rieter identifies potential performance improvements for its customers. Mill assessments, which are part of Rieter’s Performance Optimization Services (POS), help spinning mills increase production and become more competitive. Adama Spinning mills (Ethiopia), capitalised on Rieter’s mill assessment and benefited with an increased production of 70% in rotor for processing Ne 32 and 44% for ring spinning production for processing Ne 40.

Every mill manager aims to enhance the competitiveness of their spinning mills in terms of high productivity, low conversion costs and high quality output over the lifetime of the machines. POS is a smart option to achieve the desired results. Rieter experts initially perform a pre-assessment where they remotely analyse key mill data to evaluate the potential for a mill assessment. In the next step, the actual mill assessment, they report on potential mill performance improvements and conduct a mill assessment of one week in minimum on-site, making use of the company’s broad portfolio of after-sales solutions and services. Rieter suggests ways to bring original equipment back to its initial quality and performance levels or even beyond.

Customers now enjoy the advantages of a customised mill assessment, as demonstrated by a recent assessment conducted at Adama Spinning Mills in Ethiopia. Tadesse Ayele, Technical Manager at Adama Spinning Mills, says: “The mill assessment carried out by Rieter experts proved to be highly valuable. As a result, we have witnessed significant enhancements in the machines’ productivity and performance. Moreover, our technicians and operators have gained valuable insights, thanks to the know-how shared by Rieter experts during the mill assessment.”

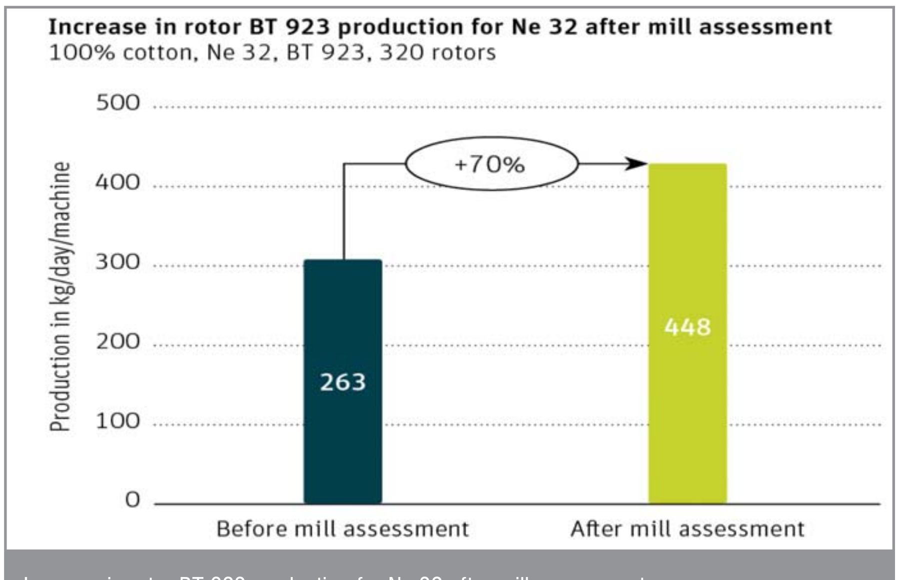
**Improving productivity with mill assessments**

15-year-old Adama spinning mill is a high-quality producer of coarse count cotton yarns with rotor BT 923 and ring spinning G 33 and G 35 machines. Due to the current market situation, the customer wants to produce finer yarn counts in rotor and ring spinning machines at higher productivity to be competitive in the market. Adama spinning mill initially responded by increasing the machine speed to improve productivity. The result was a lower yarn quality, but the market demand was a high quality yarn and an increased output. The customer therefore reached out to the Rieter POS team and asked for support in enhancing production output while maintaining the yarn quality at a constant level.

During the two-week mill assessment by a team of Rieter experts, many improvements were carried out under the existing mill conditions. The Rieter team assessed the current performance of the spinning mill, conducted tests and provided advice on adjusting machine settings. Fine tuning of the machine and process parameters resulted in a significant gain in terms of productivity in rotor as well as in ring spinning. The aim was to optimise the entire Rieter spinning process, so that

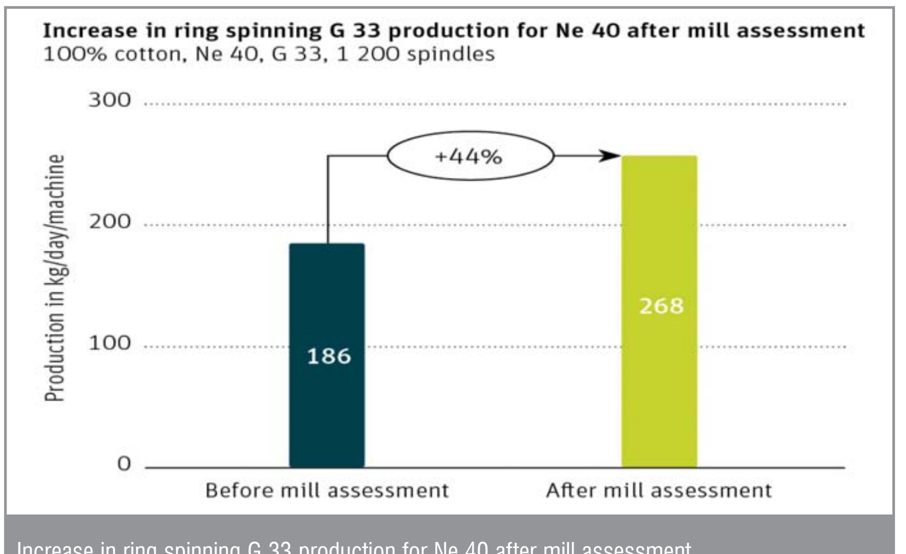
...Contd. On Page 19


Tadesse Ayele, Technical Manager of Adama Spinning Mills (Ethiopia)




Increase in rotor BT 923 production for Ne 32 after mill assessment


Three step approach of Performance Optimization Services




Increase in ring spinning G 33 production for Ne 40 after mill assessment

# The Sustainable Technique Of Mechanical Recycling

Comistra is a well-known wool recycling company in Prato, Italy. To obtain the fibre it uses a method called mechanical recycling, which is deemed to be one of the most sustainable and energy-efficient methods of material extraction.

The Italian company, Comistra, uses this method to recycle wool from used clothes. Established in 1920, it has been developing the practice for over a century and is well-placed to know the importance of recycling precious fibres. A tradition once born out of necessity, today it could help show the way to a more responsible way of producing our threads.

**What is mechanical recycling?**

The term 'mechanical recycling' refers to a series of physical operations such as sorting, washing, drying, grinding, re-granulating and compounding, to recover waste. This method does not touch the chemical composition of the material, which allows for the reuse/recycling of polymeric materials, creating a closed loop.

The Royal School of Chemistry in the UK says it is currently almost the sole form of recycling in Europe, representing more than 99% of the quantities recycled.

**How does mechanical recycling work on regenerating wool?**

Compared to the production of 'virgin' wool, Comistra says regenerated wool has a lower environmental impact.

Firstly, unlike newly produced wool, regenerated wool does not need to be dyed. Recyclers can take advantage of the colour already present - which means more water is saved, less toxic chemicals from the treatment and dyeing process are used and less CO2 is produced.

Secondly, regenerated wool is more environmentally friendly because less land is sued. This is due to not needing to use hundreds of hectares of land for sheep farming.

The Comistra employees sort out the garments in the warehouse. Alice Tesi, head of marketing at Comistra, gives the breakdown of what goes where.

"The textile materials are distributed as follows: Around 60% is destined for reuse, 35% for recycling, and 5% will go to the dump or will be thermo-valorised," she says.

After the garments are manually stripped and sorted by colour, it is then put through a machine known as a 'lavastraccia'.

The company describes the machine as having a "cylindrical channel in a closed cycle, where the old rags are dipped in water and then sent towards a series of cylinders of two different types: on the one hand, they have sharp edges, on the other hand, they have seals with saw teeth."

In this machine, the fibres are washed and frayed into a mass of wool fibres and are ready to become new yarn which will then be used to make new garments.

The Italian city of Prato is no stranger to wool recycling. Located just a few kilometres from the Renaissance capital of Florence, it has been a European textile centre since the middle ages and it is also a circular economy hub.

Due to an old law prohibiting the import of raw wool, the city has become a leader in recycling the material, producing 15% of the world's recycled textiles.

The Italian company Comistra is a leader in wool recycling. This century-old, business gives a new life to tonnes of used rags, which arrive in this warehouse every day.

The circular economy is at the heart of the European Union's sustainable textile strategy, which aims to impose the use of recycled fibres and encourage eco-design.

For Fabrizio Tesi, CEO of Comistra, this policy is the way forward to being more responsible with our clothing production. "When we design a garment, we have to think about it in such a way that when its life ends, it can be easily repaired, recycled and reused. It's what we call the magic circle of the circular economy. Today, we have a great opportunity. The Green Deal and Europe are showing us the way. Sending equipment to the recycling sector could provide a lot of work to many people," he says. ■

# Rieter POS Leads To Significant Production Increase...

*....Contd. From Page 18*

the customer can realise the full performance potential of its machines and systems. The experts looked for the root causes that were affecting productivity. Based on the findings, the team implemented a series of measures:

- Reduction of end breaks in rotor spinning machines by process and machine fine tuning;
- Optimisation of suction in rotor spinning machines for lower power consumption;
- Fine tuning of ring spinning process and machine settings;
- Doffer settings for doff-time reduction, and
- imparting proper training to mill technicians and operators.

As a result, the rotor and ring spinning machine speeds and efficiency have improved. The rotor production has increased by 70% for processing Ne 32, while the ring spinning production increased by 44% for processing Ne 40 without affecting the yarn quality. This improvement in production and machine performance exceeded the customer's expectations.

**Customised solutions for further improvement**

POS offers a customised solution to every customer. Based on the improvements defined during the pre-assessment as well as the findings during the mill assessment, the Rieter experts were able to recommend the right set of after-sales solutions such as upgrades, parts, repair services as well as training and textile technology services.

Rieter accompanies customers in a spirit of close partnership to enable their success. Building on years of experience and a global presence, Rieter experts share their textile expertise and engineering know-how, so customers can unlock the full potential of their technology. POS as a powerful solution helps spinning mills identify key areas of improvement to grow and remain competitive. ■

# The Netherlands Introduces EPR For Clothing & Textiles Ahead Of EU

The Netherlands has introduced new extended producer responsibility (EPR) regulations for manufacturers and importers of clothing and textiles. The Government has now shared details on how its EPR scheme will work, offering a clue as to how other EU members might approach this issue.

Under the Dutch laws, producers will now be responsible for an "appropriate collection system, recycling and the reuse of clothing and household textiles." The laws will apply to all companies selling clothing into the Dutch market, whether or not they are based there.

By 2024, all clothing retailers will have to declare how much clothing they sold in the Netherlands in the previous year. From 2025, the percentage of textiles sold into the Dutch market that have to be reused and recycled will increase each year.

So, in 2025:

- At least 50% of the textiles sold "must prepared for reuse or recycling"
- At least 20% of the textiles sold are prepared for reuse specifically
- At least 10% of the textiles sold are "reused in the Netherlands"
- At least 25% of the recycled textiles are "fibre-to-fibre recycled" *

*(* It is difficult to see how this 25% figure will be achieved given the current, early stage development of fibre-fibre technologies.)*

The above figures will increase steadily as we move beyond 2025. ■



## Kaltex, ReCircled Collaborate To Made Circular Denim

Kaltex USA, one of the leading denim producers in North America, and ReCircled LLC, a preprocessor for footwear, apparel, and accessories, have announced an exclusive partnership to complete the circle for the first fully vertical and transparent circular denim in the Western Hemisphere.

ReCircled will administer Branded Take Back Programs, work with brands and retailer's DCs on unsaleable items, sort by brand and prepare the denim for recycling. Once these products have been sorted, cleaned and detrimmed, they will move to Kaltex for recycling into new denim, completing the full circle.

Eric Goldstein, EVP Kaltex Apparel said, "This process is the first of its kind in the hemisphere, it's transparent, sustainable with a very low carbon footprint, and truly circular."

Kaltex presented their collection and the Circular Process at the Kingpins Show, on July 19th and 20th in New York. ■