

EURATEX Manifesto

Recommendations
from the European textiles
and apparel industry
for the European elections
of June 2024

"Up to 80% of policy measures which affect companies, are decided at European level. It is critically important therefore to inform the European decision makers about the needs, challenges and expectations of the textiles and apparel industry. This manifesto summarises these requests, which we address to all policy makers at national and European level, who want to engage in this European agenda, following the European elections of June 2024".

Alberto Paccanelli
EURATEX President

Dirk Vantyghem
EURATEX Director General



The European textile ecosystem in numbers



Turnover
167 billion €



Companies
192,000



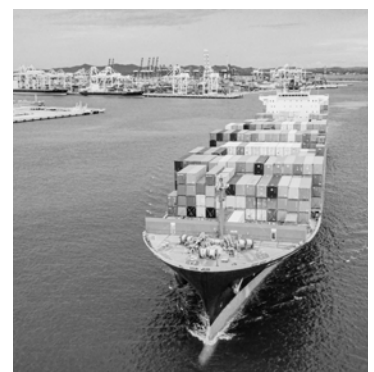
Employment
1.3 million



Investments
4.1 billion €



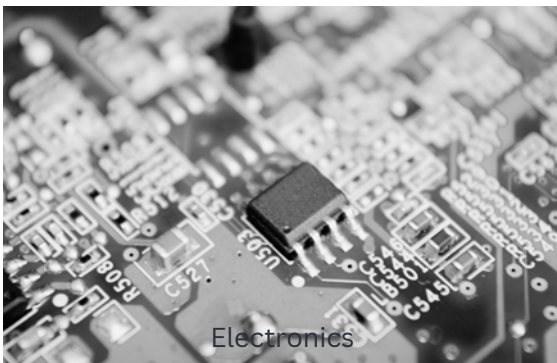
Imports
137 billion €



Exports
67 billion €

Our Vision

The textile and apparel industry is making a substantial contribution to European wealth, jobs and growth. Therefore, we want to maintain a constructive dialogue with European policy makers, where freedom of entrepreneurship is recognised as the foundation for a competitive textile industry, offering high quality and sustainable products, based on innovation, creativity and design. Above all, the EU should focus on creating better framework conditions for our companies, who operate in a global market, where common rules must apply for all.



TEXTILES
ARE
EVERYWHERE.



Our requests

To realise that vision, we need to work together on a mix of policy measures and initiatives, which are coherent and offer a transparent and predictable framework for our companies, and make them more resilient and competitive.

1

A SMART INDUSTRIAL STRATEGY

2

REALISTIC SUSTAINABILITY TARGETS

3

FREE AND FAIR TRADE

4

MORE FOCUS ON THE DEMAND SIDE

Develop and implement a “smart” EU industrial policy

1. Focus on smarter regulation to enhance competitiveness and reduce unnecessary administrative burden

European industry is confronted with too much bureaucracy, legal uncertainty and delays, when running their business. As a result, textile companies may decide to invest outside Europe. The EU needs to critically look at the impact of rules and regulations, remove contradictory legislation and introduce a “competitiveness test” for every new piece of legislation.

Specifically, the EU should systematically calculate the cumulative cost and administrative burden of new obligations, taking into account all already existing obligations across all policy areas. We should also apply the “one-in-one-out” principle, when designing new legislation.

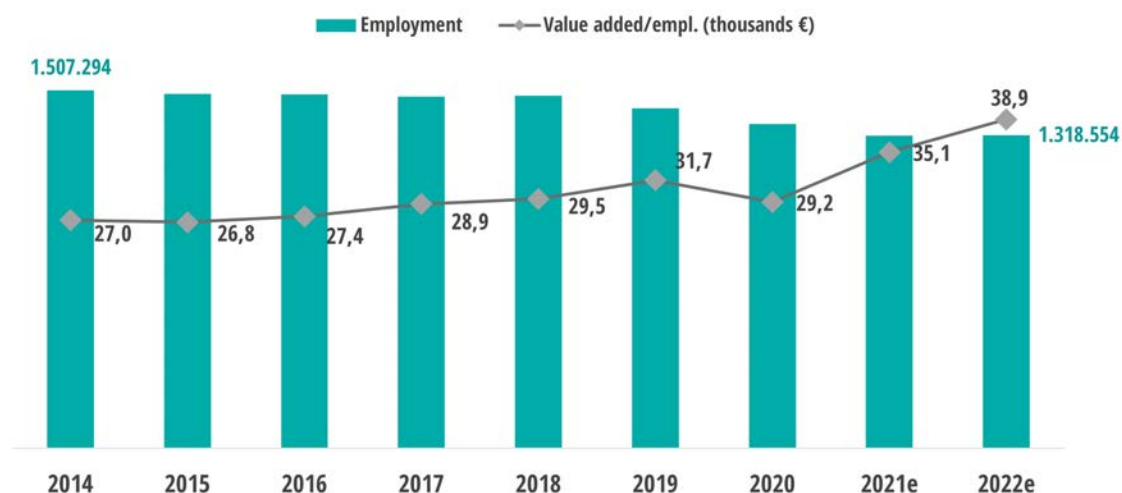
Reporting requirements, both within the value chain and towards public authorities, need to be reduced and harmonised, to ease the burden and allowing entrepreneurs to primarily focus on running their company.

2. Promote education and jobs in the industry

The EU textile industry currently employs 1,3 million people, 30% of which is above 50 years old. A critical bottleneck for the textile industry is to attract (young) people and make sure these people have the right set of skills, to operate in a changing textile ecosystem. Apart from a lack of basic skills, 61% of the companies are in need of digital skills and 40% of the companies still have a green skills gap.

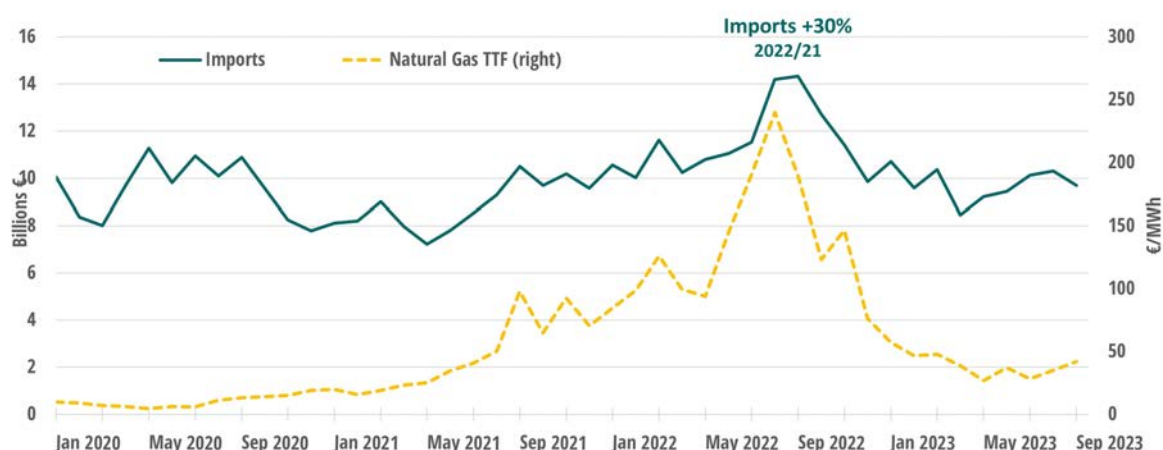
Joint efforts must be developed between the public authorities at EU, national and regional level, and our industry to launch new skills related initiatives, under the Pact for Skills. We should also make strong efforts to present the changing industry as an attractive, sustainable and more digital source of employment, and to promote a “culture of entrepreneurship”. Labour migration must be an integral part of our

EU-27 | Evolution of labour force and labour productivity in T&C industries between 2014 and 2022e



Source: EURATEX, based on EUROSTAT

EU T&C Trade and Natural gas prices (monthly evolution 2020-2023)



Source:
EURATEX, based on IHS, and EEX

industrial strategy and should be managed as an opportunity in this context, and not a threat.

3. Ensure access to sustainable energy supplies, at competitive prices

High energy costs are among the biggest problems to maintain a competitive European industrial base, as many other textile-producing countries benefit from affordable and often subsidised energy sources, including fossil fuels. The EU needs to tackle unfair competition, in particular with US and China and enhance its energy autonomy to ensure resilience of its industry, in the face of unforeseen geographical conflicts.

The EU and member states need to maintain a strong focus on reducing energy prices to a competitive level in a global context, while avoiding fragmentation of the single market. To facilitate the decarbonization and enhance energy efficiency within the textile value chain, particularly among SMEs, it is recommended to provide support and incentives for both capital and operational expenditures. Additionally, revenues generated from

the EU ETS should be reinvested in the transformation of EU industries.

4. Invest in innovation & digitalisation

Our competitiveness is based on quality and innovation, more than on price. Innovation is key to be ahead of competition, to improve our sustainability and circular business models, and to develop new applications for textiles in other segments of the economy (transport, agriculture, construction, medical sector, etc.). Therefore, it is crucial that our industrial strategy is supported by a strong European innovation policy.

The EU should invest more resources and funding in research and innovation, to maintain that competitive edge. The ERA Technology Roadmap [1] estimates that between €5 and €7 billion are necessary to make the transition in the textile industry. EURATEX' STEP2030 manifesto provides for a detailed menu of research areas and priorities; our industry is ready to co-invest with the EU to implement the proposal for a dedicated co-programmed textile partnership under Horizon Europe.

No sustainability without competitiveness

5. Reconcile growth and sustainability across different policies, and add economic realism to the Green Deal

Europe needs both economic growth and sustainability. The EU Strategy for Sustainable Textiles is pushing our sector towards new business models with a lower environmental footprint. To realise that ambition, no less than 16 regulatory proposals are on the table, each of them with a different timetable, managed by different departments of the European Commission.

EURATEX is committed to sustainability, but asks for economic realism. This set of new regulations needs to be coherent, enforceable, feasible and applicable for SMEs, and not push textile companies out of the market. The internalisation of costs related to sustainability should be

proportionate, gradual and protected against free riding. This requires impact assessments along with an open and facts-based dialogue between the regulator and the textile industry, which should result in a high-quality regulatory framework.

6. Stop fragmentation of the EU Single Market

Some elements of the legislative framework will be decided at member states level (e.g. on the Extended Producer Responsibility). Also, some member states move forward faster than others towards a green transition (e.g. France, the Netherlands), leading to different rules and standards within the single market. Such fragmentation must be stopped, as it will hamper the free circulation of textile goods (and waste), and thus reduce the cost effectiveness of our companies.

An integral and well-functioning single market is the foundation of Europe's competitiveness. If this basic condition is not guaranteed, the EU industry will not

EURATEX

Do you know...

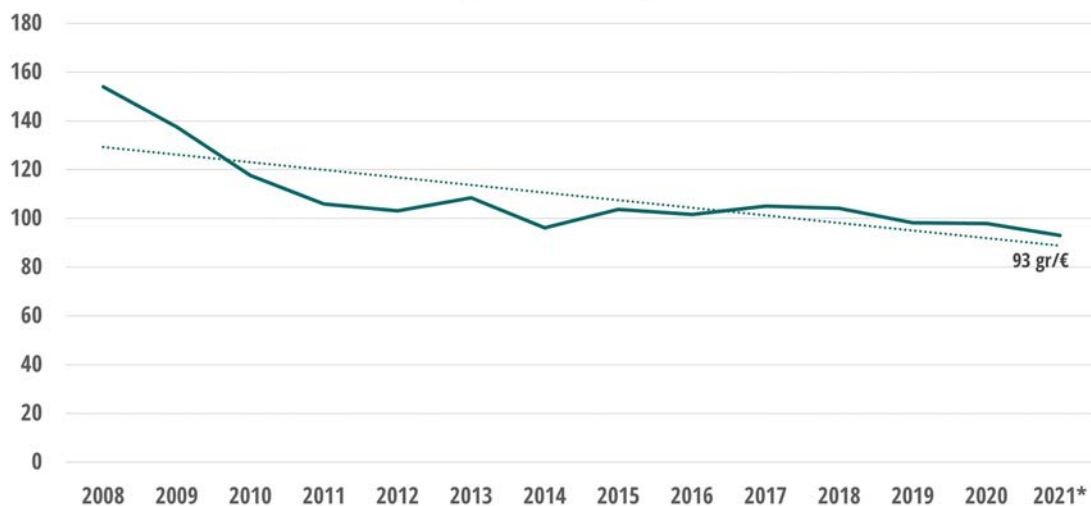
how many EU legislations on sustainability will impact the textile and clothing companies?

16

Ecodesign and Digital Product Passport	National Tax on Waste (EPR)	Waste Shipment	Green Claims and Textile Labelling
Green Public Procurement (GPP)	Waste Legislation	Corporate Sustainability Due Diligence	Corporate Sustainability Reporting Directive
Industrial Emissions	Sustainable Finance (Taxonomy)	Microplastics	PFAS
Skin Sensitisers	Bisphenols	REACH Revision	PFHxA

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Evolution of the CO2 emission intensity in the TCLF sectors*
(unit: Grams/€)



*TCLF: Textiles, Clothing, Leather and Footwear

*2021: estimates

Source: EURATEX, based on EUROSTAT

be able to compete on the international stage, missing opportunities to grow and innovate.

7. Set realistic targets and timelines for implementation of new legislation

While the EU is creating a whole new regulatory framework, textile companies are facing tough economic conditions: high energy prices, low consumer confidence, high inflation which increases prices of raw materials and salaries,... In this context, EURATEX calls for a gradual implementation of this new framework, making sure our companies (especially SMEs) have the time and resources to adapt to this new context. A realistic and predictable timetable will help our companies to prepare themselves, whilst support will be needed to make this transition a reality.

8. Ensure global sustainability commitments, to achieve the level playing field

The EU Textile Strategy should become a Global Textile Strategy, so that every

99.8%
of T&C companies
are SMEs

company operates under the same rules, with similar level of compliance and controls. This will guarantee a level playing field, but also ensure a wider positive impact of the textile industry on our planet. European companies alone cannot compensate for the footprint of their competitors around the globe. The EU needs to engage actively with our main trading partners to adopt a common set of enforceable rules, covering both textile products and waste.

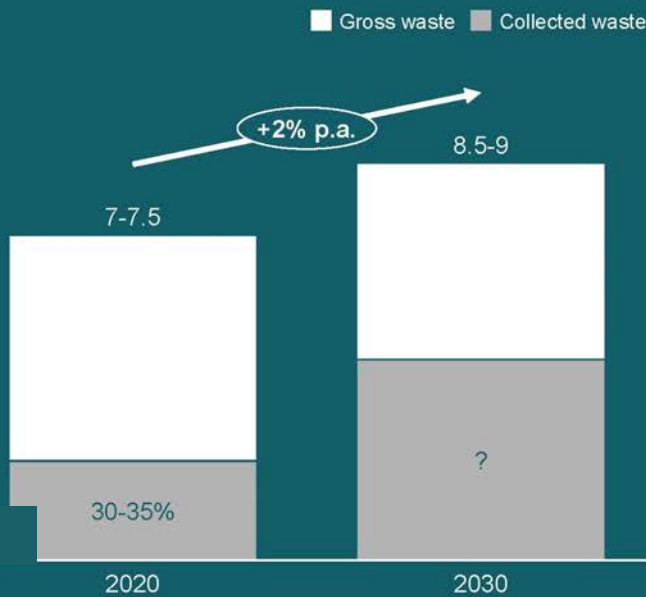


ReHubs®

Circulating Textile Waste into Value

Europe has a 7-7.5 million tons textile waste problem, of which only 30-35% is collected today

EU-27 and Switzerland textile waste volume, million ton



Sources: European Commission Joint Research Centre (JRC), 2021; Intecus, Germany report, 2020; ReFashion, France report, 2020; Rebel, Netherlands report, 2021; Umweltbundesamt, Austria report, 2022; Higher Institute for Environmental Protection and Research Italy report #1 and #2, 2021; Modare, Spain country report, 2021; Nordic Council for Ministers Baltic Countries report, 2020; Ellen MacArthur Foundation; Le Figaro, 2019; Deloitte European Market Study for ETSA, 2014; JRC Technical report, 2021; Humana Annual Report, 2020; Eurostat Prodcorn, expert interviews

That's why EURATEX launched ReHubs Europe.

ReHubs is a partnership-based association. Its goal is to set up a synergic collective based on recycling hubs in Europe to upcycle textile waste & industrially scale up the collecting, sorting, processing and recycling of pre-consumer and postconsumer materials. ReHubs works across four different textile waste streams.

How does the circular value chain for textiles look like?

● Traditional linear textile value chain steps ● New value chain steps to create closed-loop textile circularity



1. For example, unsellable overstock from brands or retailers; production spill from industry, or post-consumer commercial waste
2. Partly subject to in-house recycling; could be the direct next step after recycling.

Source: Expert interviews; McKinsey analysis; TES

Ensure free and fair trade

9. Adopt balanced FTAs, negotiate with the US, and promote nearshoring

FTA proposals need to offer effective market access for EU companies and a level playing field in these markets. Free trade negotiations with partner countries need to be embedded in a multilateral trading system of the WTO, but also include strong provisions of compliance with EU rules and standards. This applies to India, where the EU has a huge trade deficit in textiles and increasingly difficult market access, but also other ongoing negotiations, e.g. Indonesia and Australia.

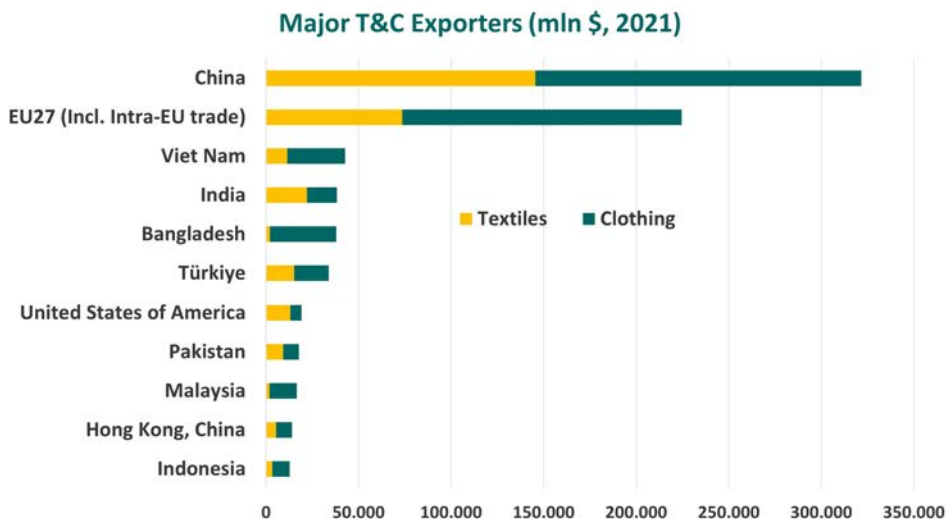
Negotiations for an EU-US FTA must be restarted. If the EU is serious in its policy to create strong trade ties with like-minded partners, a trade deal with the US must be a priority. For textiles companies, the US is the second most important market. In parallel, more efforts are needed to ensure regulatory

convergence and mutual recognition of standards.

Pending FTAs must be finalised as soon as possible: the EU–Mercosur agreement should be ratified and become effective in good time before the next presidential elections in Brazil (2026) to avoid that political changes in the Mercosur area can further jeopardise the prospect of better access to this very important market.

Nearshoring must be more promoted, i.a. via implementation of the modernised PEM Convention. Europe and the southern mediterranean have a real chance to become the biggest and most advance integrated area in the world of sustainable textile manufacturing – attracting investments and orders from Asia and the US – as well as strengthening Europe’s autonomy.

We also believe that the modernisation of the Customs Union with Türkiye will bring strengthened business relations and enhanced cooperation, and help to eliminate the current problems that limit the full potential of the strong EU–Türkiye partnership. Support mechanisms should



Source: EURATEX, based on WTO

REACH4Textiles tested
160 textiles articles:
26 were non-compliant
(16.25%).

be developed within this Customs Union to facilitate the implementation of the textiles transition pathway, with the Turkish textiles and garment manufacturing ecosystem.

10. Strengthen market surveillance and ensure regulatory compliance

As the regulatory bar is raised in the EU, we need to ensure that also imported products (estimated 23 billion pieces/year) comply with the new laws. This requires a serious investment by member states in market surveillance, taking into account lessons learned from the REACH4Textiles project (notably on products checking and risk-based surveillance). The European Commission must always consider enforcement and enforceability when making new laws; it should also take action together with the member states for a better coordination with harmonised criteria for action among Customs Authorities.

Non-compliance of imported products concerning product safety, chemicals and other standards, must be promptly addressed to safeguard the EU single market, EU citizens, and the environment, especially in e-commerce.

11. Apply trade defence measures where strictly justified

While EURATEX promotes the merits of free trade, which remains a foundation of our competitiveness, we need to be more strict in the enforcement of “fair” trade, i.e. apply trade defence measures in case of unfair competition. This should apply especially to those competitors who operate under state-subsidised overcapacity that aims at distorting the international markets.

12. Promote European design and quality products on global markets and facilitate trade for SMEs

EURATEX calls for the development of a European Economic Diplomacy, i.e. a coordinated effort to promote European products and values on third markets. This can include concrete initiatives to help European SMEs be successful abroad, in cooperation with relevant trade fairs or Europe Enterprise Network. Customs procedures should be simplified to improve the export performance of our textile companies and the Market Access Advisory Committee should be strengthened, to address any export barriers for European companies.



Image by jcomp on Freepik



Europeans spent on average

630 €/year

for their clothes in 2022*.

* EUROSTAT



When buying clothes,

68%

of European consumers say that price is most important criteria*.

* YouGov "2021 European Fashion Report"

Incentivise the demand for sustainable textiles

13. Avoid greenwashing and rebalance supply and demand for sustainable textile products

Efforts are needed to promote European sustainable apparel products and inform the consumer, based on a clear definition of sustainability, which will be established under the Green Claims Directive, the Ecodesign and Taxonomy Regulations. In this regard, efforts are needed to standardise and streamline the information required by brands, to avoid too heavy burden on manufacturing SMEs.

Producing a sustainable garment promises four times higher margins*.

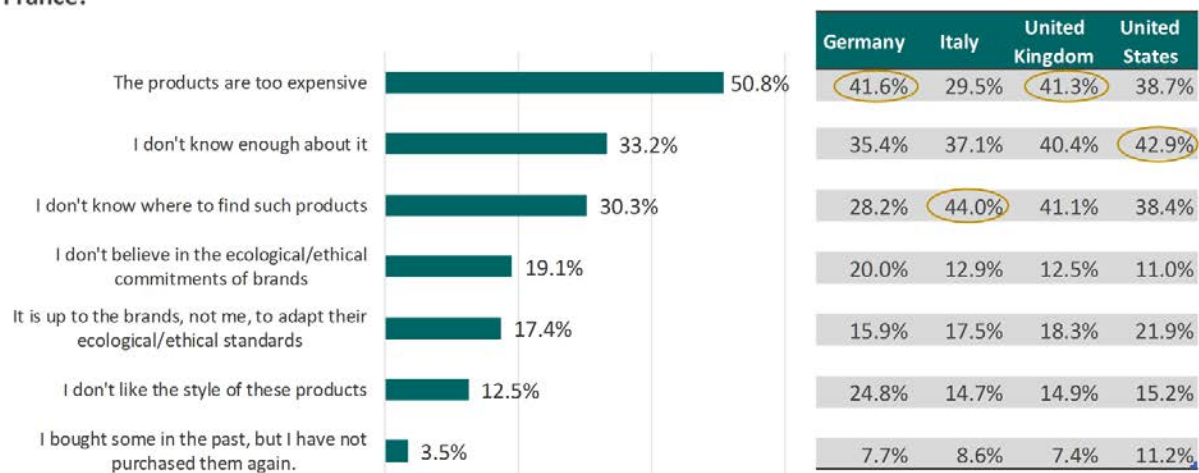
*Report “Just Fashion Transition 2023” by The European House - Ambrosetti SPA .

CHAIR, Institut Français de la Mode and Première Vision asked a sample of people if in 2022 they purchased any sustainable fashion items. In France 44.9% of the interviewees said yes (44.9% in Germany, 54.4% in Italy, 42% in UK and 50.4% in USA). To those who replied no, they asked:

“Why haven’t you purchased any sustainable fashion product?”

(1 to 3 possible answers)

France:



Source:

CHAIR • Institut FRANÇAIS de la MODE • PREMIEREVISION



14. Introduce consumer incentives to buy sustainable textile products

Sustainable textile products typically come at a premium price, making it difficult for many consumers and buyers to purchase such products. To create a demand and help consumers to buy a (genuine) sustainable textile product, member states may apply fiscal incentives such as a reduced VAT rate.

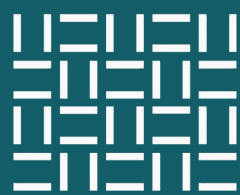
15. Implement Green Public Procurement

Also public authorities are an important “consumer” of textiles (protective garments for law enforcement, medical textiles for hospitals, ...). EURATEX calls for an effective implementation of green public procurement practise by public authorities, i.e. place their orders not just on the basis of price, but increase the importance of sustainability criteria in their evaluation grids.

To implement the above-mentioned proposals, a more coherent approach is needed within the European decision-making process. To avoid fragmentation (and sometimes overlapping) of competence, we recommend appointing a single Vice President/Commissioner for European competitiveness, which coordinates economy, trade, energy, innovation and skills.

At the level of Commission services, more effective and efficient cooperation is needed between DGs, to take into account the socio-economic impact of new legislation and avoid inconsistencies.

EURATEX



THE EUROPEAN APPAREL
AND TEXTILE CONFEDERATION

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