

Table of Contents

Editorial **Page 2**

1. Did You Know That..? **Page 3**

ITMF and SLCP host a Public Session at Heimtextil 2020 in Frankfurt, Germany
The ITMF International Committee on Cotton Testing Methods (ICCTM) convenes in Bremen, Germany on March 23/24, 2020

2. On the Road **Page 4**

Meeting of the Signatories and Supporting Organizations of the Fashion Industry Charter for Climate Action (FICCA) during COP25
VITAS Celebrate their 20th Anniversary in Hanoi, Vietnam
Stressing the Importance of Cooperation during the 35th IAF World Fashion Convention in Lahore, Pakistan
Building Bridges across Europe and Asia at the Second edition of the EurAsian Geosynthetics Symposium
From Komotini to Karditsa, the ITMF Spinners Committee Journey to Greece

3. Billboard **Page 11**

Award Ceremony: DNFI Innovation in Natural Fibres Award 2019 at Heimtextil 2020
OECD-Survey on Sourcing Practices for Pragmatic Approaches to Due Diligence Implementations

4. New Members **Page 12**

Welcome to 1 New Member Association and 1 New Corporate Member

5. Monthly Chart Update **Page 13**

EDITORIAL

By Dr Olivier Zieschank, Economist, ITMF

Dear Reader,

In this edition of the ITMF Newsletter, you will learn many interesting aspects about ITMF's international activities. The section "On the Road" summaries our key take-aways from the COP25 in Madrid, VITAS' 20's anniversary in Hanoi, the 35th IAF World Fashion Convention in Lahore, the second Eurasian Geosynthetics Symposium in Beijing, and the ITMF Spinner Committee's journey in Greece.

Your attention will also be drawn to future events in "Did You Know That...?", a section in which we present interesting facts in line with current ITMF activities. This month, the focus is given to a public session on social audits jointly organized with SLCP during Heimtextil 2020 in Frankfurt and the meeting of the ITMF International Committee on Cotton Testing Methods (ICCTM) organized on the side-lines of the International Cotton Conference Bremen 2020.

On the billboard, you will discover further information about the DNFI Innovation in Natural Fibres Award to be handed out during Heimtextil 2020 and a call to our member associations to circulate the OECD's survey on Sourcing Practices for Pragmatic Approaches to Due Diligence Implementation among their member companies.

As the year goes by, the ITMF Secretariat also would like to thank all of you for your support during 2019 and wish you a healthy, happy, and prosperous year 2020.



Enjoy your reading!

1. DID YOU KNOW THAT...?

ITMF and SLCP host a Public Session at Heimtextil 2020 in Frankfurt, Germany

By Dr Christian Schindler, General Director, ITMF

During the upcoming [Heimtextil 2020](#) which will take place in Frankfurt, Germany from January 7-10, 2020, the ITMF will support and actively participate in a session of the [Social Labor Convergence Program \(SLCP\)](#).

On Thursday, January 9th, 2020, from 11:00-11.45 hrs. in Hall 11 (Level 0, FOYO1), the SLCP with ITMF will offer a session called **“Reducing Audit Fatigue through SLCP”**, during which representatives from brands/retailers, manufacturers, ITMF and SLCP will show how making use of the SLCP results in the reduction of costly and time-consuming duplicative social audits and therefore providing more resources to improve working conditions as well as workers’ productivity.

The SLCP is not only relevant for apparel producers but also for home textile producers. Just like apparel producers, also home textile producers are faced every year with a large number of social compliance audits that are often duplicative and therefore are not improving the working conditions but are consuming time and costs.

The SLCP was developed and tested over a period of 3 years. The roll-out started in the middle of 2019. The SLCP is now active in 10 countries, namely China, India, Turkey, USA, Sri Lanka, Chinese Taipei, Mexico, Spain, Honduras, Guatemala, and Mauritius. In 2020 more countries will be added like Bangladesh, Pakistan, Vietnam, Indonesia, Myanmar, etc.

Manufacturers that have already participated in the SLCP, were able to reduce the number of audits. For example, according to SLCP, **one large apparel producer was able to save as much as 20 audits in 2019**. Only a quarter of this apparel company’s customers (could) work with SLCP because SLCP is – as mentioned above – not yet available in all apparel and home textile producing countries. Therefore, the potential to further reduce the number of audits in other facilities and concentrate instead on real improvements of the working conditions is significant.

The ITMF International Committee on Cotton Testing Methods (ICCTM) convenes in Bremen, Germany on March 23/24, 2020

By Dr Christian Schindler, General Director, ITMF

On the side-lines of the [International Cotton Conference Bremen 2020](#), which will be held from March 25-27, 2020, in the city of Bremen, Germany, the [ITMF International Committee on Cotton Testing Methods \(ICCTM\)](#) will meet on March 23/24, 2020 in the building of Bremen Cotton Exchange.

During the meeting of the Committee, presentations on different topics ranging from high-volume testing, length/strength, fineness/maturity, stickiness, naps/trash, color, and spinnability, etc. will be delivered. In addition, and for the first time, the Committee will have a look at the possibility of measuring traceability of cotton. During the meeting also two testing instruments will apply for ICCTM-recognition.

There are three other meetings taking place on the sidelines of the conference:

1) ICAC-CSITC Task Force (Monday, March 23, 2020, 09:30-12:00hrs.)

The [Task Force on Commercial Standardization of Instrument Testing of Cotton \(CSITC\)](#) of the [International Cotton Advisory Committee \(ICAC\)](#) has the objective “to improve the integrity of worldwide cotton trade by establishing a reliable system of instrumental cotton characterization, adoptable by all cotton producing countries, especially developing countries”.

2) Introduction to Universal Cotton Standards (Monday, March 23, 2020, 12:00-13:00 hrs.)

There will be an opportunity to attend a session on Universal Cotton Standards.

3) ITMF/IVGT Spinner & Textile Seminar (Tuesday, March 24, 2020, 14:00-18:00 hrs.)

The ITMF/IVGT Spinner & Textile Seminar will take place right after the meeting of the ITMF-ICCTM. Experts from the cotton value chain will discuss issues that are relevant to all partners in the value chain from cotton producers and spinners up to the retailer. A more detailed agenda will be made available in due time.

For more information about the various meetings, please contact the ITMF-Secretariat at secretariat@itmf.org.

2. ON THE ROAD

Meeting of the Signatories and Supporting Organizations of the Fashion Industry Charter for Climate Action (FICCA) during COP25

by Dr Christian Schindler, General Director, ITMF

On the sidelines of the UN Climate Change Conference (COP25) in Madrid, Spain that was taking place from December 2-13, 2019, signatories and supporting organizations of the “[Fashion Industry Charter for Climate Action](#)” (FICCA) met on December 9, 2020. ITMF was presented by Mr. Juan Parés, ITMF Board Member, and Mr. Christian Schindler, ITMF Director General.



F.I.t.r.: Mr. Juan Parés, ITMF Board Member, and Mr. Christian Schindler, ITMF Director General.

The FICCA was established at the last UN Climate Summit 2018 (COP24) in Katowice, Poland. Under the auspices of UN Climate Change, fashion stakeholders worked during 2018 to identify ways in which the broader textile, clothing and fashion industry can move towards a holistic commitment to climate action. The total text of the Charter can be found [here](#).

During 2019 the signatories formed the following Working Groups (WG):

- Decarbonization pathway and GHG emission reductions
- Raw material
- Manufacturing/Energy
- Logistics
- Policy engagement
- Leveraging existing tools and initiatives
- Promoting broader climate action

The different WGs met on a regular basis and identified specific goals and related Key Performance Indicators (KPIs) to measure the progress. The goals and KPIs will be made available to all signatories and supporting organizations in the coming weeks. The goals and KPIs serve as guidelines and tools and can be seen as best practices how to reduce a companies' GHG-emissions.

On the occasion of the COP25, the FICCA released a [Communique](#) with which it invites governments to collaborate on climate actions:

*“We, the fashion company signatories to the Fashion Industry Charter for Climate Action, ask the **political leaders of countries with major fashion production and consumer markets** to partner with us to bring the industry in line with the Paris Agreement goal of limiting average global temperature rise to 1.5 degree Celsius:*

- *Providing businesses and financial institutions with predictable, transparent and motivating planning contexts for renewable energy investment, for example by ensuring government energy roadmaps are clearly communicated;*
- *Responding to the urgent need for rapid scale-up of grid-connected renewable energy sources, and the swift phase-out of the highest-emitting fossil-fuel-based sources of energy, while ensuring a just and sustainable transition;*
- *Providing incentives for a swift transition to renewable energy, for example through the provision of feed-in tariffs to manufacturers and suppliers that generate electricity from renewable sources, and which can feed their excess electricity into the public electricity grid;*
- *Ensuring credible and legally recognized renewable electricity tariffs and power purchase agreements are available for fashion brands and manufacturers to purchase as part of reducing their greenhouse gas emissions;*
- *Creating an enabling environment for the rapid phase-out of non-renewable energy sources for all non-grid or high heat processes, for example through research and incentives for alternative biomass sources;*
- *Working with the Fashion Industry to understand and address potential barriers to sector transformation and uptake of energy efficiency and renewable energy technology, with a focus on understanding the key role of tariffs, subsidies or legal barriers at a national or state level.”*

Mr. Juan Parés, CEO of Textil Santanderina and ITMF Board Member, stated in the Communique: *“TEXTIL SANTANDERINA has always kept in mind its commitment to sustainability and respect for the ecosystem, but today is TIME TO ACT together in the spirit of SDG-17. For this reason, we support the public communique of the Fashion Industry Charter for Climate Action.”*

In the same Communique, **Mr. Karl-Johan Persson**, CEO of the H&M Group stated: *“The climate crisis is one of the most important issue to tackle. As a global fashion retailer, we have a big role to play and collaboration is key. All actors need to take their responsibility to drive the change towards cutting emissions and staying within planetary boundaries. Companies need to commit to this change, governments need to facilitate the process with the right laws, regulations and implementation thereof.”*

ITMF joined FICCA in May 2019 as a supporting organization. The role of a supporting organization is to communicate the commitment of the Charter to its stakeholders and the public, to engage actively in the Working Groups established under the Fashion Industry Charter for Climate Action and to report publicly on the progress. Next to ITMF there are other supporting organizations like for example the China National Textile & Apparel Council (CNTAC). Therefore, ITMF encourages companies to become signatories of the Charter and textile & apparel associations to become supporting organizations. For more information, please contact ITMF (secretariat@itmf.org).

VITAS Celebrate their 20th Anniversary in Hanoi, Vietnam

by Dr Christian Schindler, General Director, ITMF

On December 13/14, 2019 the Vietnam Textile & Apparel Association (VITAS) celebrated its 20th Anniversary by organizing a conference in the country’s capital of Hanoi.

Mr. Vu Duc Giang, President of VITAS, opened the conference by outlining the industry’s achievements of the last 20 years during which Vietnam has become one of the fastest growing textile and apparel countries in the world. VITAS has played a crucial role in this development acting as a platform for the industry to better understand the challenges and especially the opportunities for national and international investors.



Mr. Vu Duc Giang, Chairman, Vietnam Textile & Apparel Association (VITAS)

The Prime Minister of Vietnam, **Mr. Nguyen Xuan Phuc**, honored the event by delivering a keynote address. He congratulated VITAS for the important role it played for the industry's success. At the same time, he set out the objective of reaching an export volume of USD 100 bn until the year 2030?

Mr. Kihak Sung, ITMF President, delivered a keynote address in which he underlined that foreign direct investments (FDI) from countries like Korea, China, Hong Kong, China, Japan or Chinese Taipei played a crucial role for the successful development of the industry. He stressed the importance of embracing new technologies and sustainability.



Mr. Kihak Sung, ITMF President

Mr. Sung emphasized that the textile and apparel industry is finding itself in a period of fundamental transformation. Digitalization, for example offers new possibilities. By making use of the Internet of Things (IoT), Big Data, or Artificial Intelligence (AI) the partners in the textile, apparel and fashion industry can streamline their supply chain, reduce waste and produce more efficiently.

Furthermore, Mr. Sung emphasized that sustainability requires companies to adapt to a new business environment. Consumers, brands and governments will ask industries across the board to produce more sustainably in order to meet the UN Sustainable Development Goals. In this context, Mr. Sung pointed out that considerable investments are needed. To be prepared for the changing demand patterns of the future and to benefit of new technologies, the textile, apparel and fashion industry must invest both in new machines and processes as well as in the know-how of their employees.

On the second day of the event, **Mr. Christian Schindler**, ITMF Director General, participated in a panel on sustainable textile production. He stressed that a proactive approach is advantageous to better master the challenges and turn them into opportunities. According to their different types of production, size, business environment, etc. companies must identify priorities, choose the right partners in the supply chain among suppliers, customers, NGOs, etc. and qualify their workforce accordingly.

Stressing the Importance of Cooperation during the 35th IAF World Fashion Convention in Lahore, Pakistan

by Dr Olivier Zieschank, Economist, ITMF

The 35th IAF World Fashion Convention, co-organized with the Pakistani industry association PRGMEA, was held on November 12th and 13th 2019 in Lahore, Pakistan.

The event gathered specialists from the supply and demand side of the world apparel industry who exchanged on the theme “Let’s Grow Together for a More Prosperous and Sustainable Future”. In his opening speech, IAF President **Han Bekke** recalled that the money flow in the apparel value chain gives a relative power to upstream players making the final consumer the “ultimate buyer”. Their purchasing actions have effects which ripple up the value chain. It is therefore important to consider their tendency to react positively to better materials, to products in line with the current fashion trends, to increased functionality or long-lasting qualities, and also to a “more sustainable, better story”. While he advised apparel manufacturers to be proactive toward meeting their customer needs, he also stressed that buyers should “take responsibility and adjust their buying behavior so that manufacturers have a fair chance to comply with buyers demands and receive a fair price”.¹

The dialogue rapidly grew around the topic of collaboration between apparel producers and buyers and options to create a stronger, smarter and more sustainable supply chain.

Building Bridges across Europe and Asia at the Second edition of the EurAsian Geosynthetics Symposium

by Dr Olivier Zieschank, Economist, ITMF

The second EurAsian Geotextiles Symposium (EAGS) was held in Beijing on 18th and 19th November 2019. The event attracted 150 participants who learned about the newest development in geotextiles and exchanged on best practices in standardization and sustainability.

Geotextiles are widely used in water conservancy and the construction of highways, railways, ports, etc. Discussion around their use in mega infrastructure projects is growing in importance in the context of the “Belt and Road initiative” and the numerous construction projects that will result from its implementation. The demand for geotextiles is expected to grow to unprecedented levels in the next few years. Innovations in products characteristics, diversification in applications, and increased compliance with environmental norms should further strengthen the natural growth of the segment.

¹ <https://www.iafconventionlahore.com/2019/11/13/apparel-retail-in-grip-of-radical-transformation/>

Mr. Pierre Wiertz, General Manager of EDANA, summarized the challenges facing the geotextile industry with sustainability and collaboration concerns. He recalled that professionals should pay attention to the way geosynthetics are used in protecting the environment, “making sure that it is the right one to conform with its own environmental impacts, so as to be consistent in the ability of the geosynthetics to stop pollutants from contaminating”. Also, in line with the theme of the conference, Mr. Wiertz noted that “geosynthetics help build bridges”, an analogy for the need “to connect professionals from across Eurasia” and exchange on “best practices”.²

From Komotini to Karditsa-the ITMF Spinners Committee Journey to Greece

by Dr Olivier Zieschank, Economist, ITMF

From October 13-16, 2019 the ITMF Spinners Committee visited Greece on behalf of ITMF, as part of the on-going program of the Committee to visit cotton-producing countries around the world in an effort to strengthen the dialogue in the cotton pipeline between growers, ginners, seed breeders and cotton spinners.

The journey brought the Committee to the main cotton producing regions within Greece and allowed each member of the team – even the most erudite ones – to learn interesting facts about cotton growing and ginning in Greece.



F.l.t.r.: Walter Simeoni, Andrew Macdonald, Damase Büchi, Enrique Crouse, Thomas Nasiou, Christian Schindler, Olivier Zieschank, Yiannis Papadogiannis

² All quotations are from <https://geosyntheticsmagazine.com/2019/11/25/the-second-edition-of-the-eurasian-geosynthetics-symposium-eags-2019-convended-successfully/>

History

- Early 2000's: Greece's peak cotton production reached around 450'000 tons (ginned)
- In 2006: cotton subsidies were applied to area instead of quantity inducing a decline in production.
- Today: Greece is the 10th larger cotton producer and the 5th larger exporter of cotton in the world. Production is expected to reach 330'000 – 350'000 tons (ginned) this season; yields are high and quality is good due to weather conditions

Cotton Growing

- Farmers own or rent land and cultivate mainly relatively small fields (indicative size is 3 to 10 hectares).
- Greek cotton is mainly medium staple (28-29.5mm), with micronaire (3.9-4.5), strength averaging between, 30-31g/tex, and with good uniformity.
- Almost all the production is irrigated, but until now only a small percentage by drip irrigation, the cotton is machine-harvested, and saw ginned.
- At harvest time the process of defoliation does not appear to be a standard practice due to various factors.
- Climate change has been a factor in many regions effecting the availability of water for irrigation.

Ginning

- The ginning machinery is relatively new and of high production, but the visited gins were working with reduced speeds and output to help preserve the good quality characteristics of the cotton.
- The production rate per gin stand varies between 5-10 bales per hour, and all bales weight around 220-230kg and are marked with a unique ID, indicating the production date, place and bale number, with a fibre outturn of between 33-36%.

Innovation

- Some ginners created premium schemes, called for example 'Cotton+' and "Best Fibre CFS" for certain varieties. This helped to streamline and reduce the varieties cultivated, and today only about 10 varieties produce around 80% of the volume.
- Homogeneity and uniformity of the cotton has increased because of the fewer varieties used, as well as the improvement in farming practices and irrigation. Overall, the quality of the Greek cotton has improved.
- The creation of the European Cotton Alliance, together with the Spanish cotton and textile association, which aim is to give an identity to the cotton produced in the EU, to bring together all the cotton related industries and people from the EU and to promote the value of the product. The main dimensions of the cotton from EU are its sustainability (non-GMO, socially responsible produced cotton), quality, traceability and transparency.

You can learn more on Greek cotton in the [ITMF Spinners Committee Country Visit to Greece - Report 2019](#).

3. BILLBOARD

Award Ceremony: DNFI Innovation in Natural Fibres Award 2019 at Heimtextil 2020

by Dr Christian Schindler, Director General, ITMF

The **Discover Natural Fibres Initiative (DNFI)** will meet at [Heimtextil 2020 \(January 7-10, 2020\) in Frankfurt, Germany](#), where they will also hand over the **DNFI Innovation in Natural Fibres Award 2019**. The Award Ceremony will take place on [January 8, 2020 \(10:30-11:00 hrs.\) in Hall 4 Level 2, C70](#). After 2017 and 2018, this is the third time, that this Award is awarded.

This year, the award goes to two researchers, **Dr. Debasish Das**, Professor, University of Calcutta, Department of Jute and Fibre Technology, and **Dr. Subhas Ghosh**, Professor, Eastern Michigan University, School of Visual Built Environments, College of Engineering and Technology. The title of their research paper is *“Biodegradable Weather-Resistant Cotton-Jute Fabric Can Replace Non-biodegradable PVC-Coated Polyester”*.

The two researchers are recognised for their research on the development of a biodegradable cotton-jute fabric with a waterproof coating that can substitute for non-biodegradable PVC-coated polyester. The new cotton-jute fabric is suitable for use in outdoor fabrics such as tarps, awnings, canopies, or automobile hooding material. In addition to being biodegradable, the natural fibre material meets fire-retardancy standards and allows the transfer of moisture vapor to avoid the accumulation of humidity on the underside of fabrics, while remaining waterproof.

For more information about the DNFI can be found here: <https://dnfi.org/>

OECD-Survey on Sourcing Practices for Pragmatic Approaches to Due Diligence Implementations

by Dr Christian Schindler, General Director, ITMF

As part of the OECD work on the implementation strategy of the [OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector](#), the OECD seeks to support SMEs in carrying out responsible business conduct (RBC) due diligence in-line with OECD recommendations. To this end, the OECD is conducting a 10-minute survey to better understand the structure and sourcing practices of SMEs operating in the textile, garment and footwear sector. You will find the survey [here](#), available in English, Spanish and French. This survey should not take longer than 10 minutes of your time.

The goal of the survey is to collect data on sourcing practices in order to identify pragmatic approaches to implementing due diligence that are tailored to their size, resources, nature of business, and sourcing models. This survey targets agents, brands, licensees, manufacturers, retailers, and wholesalers and is divided into 3 sections: company characteristics; company sourcing practices and due diligence.

We kindly invite associations to circulate the survey among the member companies.

In case that companies prefer to speak with the OECD rather than contribute to a survey, it is possible to hold a 10-15-minute interview with the OECD. In this case, please contact Julia.DELVALLE@oecd.org. Survey participants are not required to identify themselves or their organization and all responses will be confidential. The findings from the survey will only be reported in aggregate form or in a manner that does not allow individual responses to be identified.

The survey can be completed until 31st January 2020.

For further information or to set a date and time of your convenience for a short interview, please contact Julia.DELVALLE@oecd.org.

4. NEW MEMBERS

by Dr Olivier Zieschank, Economist, ITMF

Since September, the ITMF welcomed 2 new members. We are delighted to count amongst our member association:

Country	Name
Egypt	ECAHT – Egyptian Chamber of Apparel & Home

Furthermore, we are very happy to welcome as a Corporate Member:

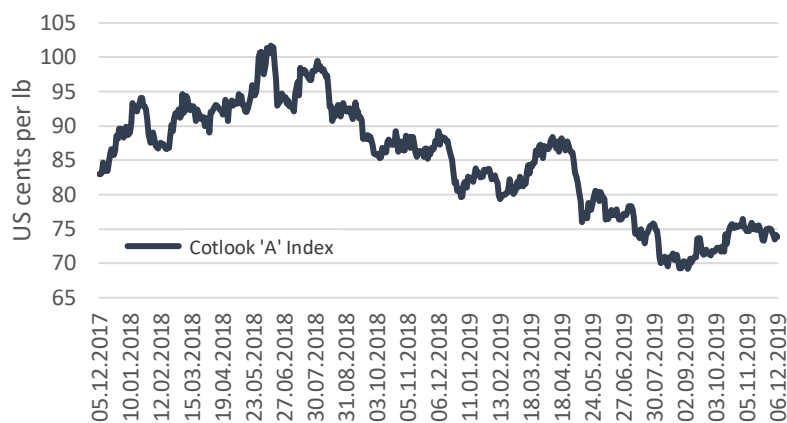
Country	Name
Bangladesh	Karnaphuli Polyester Products Company Ltd.

We are looking forward to welcoming more companies and organizations from the textile and allied industries in the future, which would strengthen the ITMF as a unique international platform for the global textile value chain.

5. MONTHLY CHART UPDATE

Chart 1: Cotlook 'A' Index	page 13
Chart 2: Cotton price and future contracts	page 13
Chart 3: Cotlook Yarn Index	page 14
Chart 4: PCI synthetic fibres indices	page 14
Chart 5: Oil price and PCI fibres price index	page 14

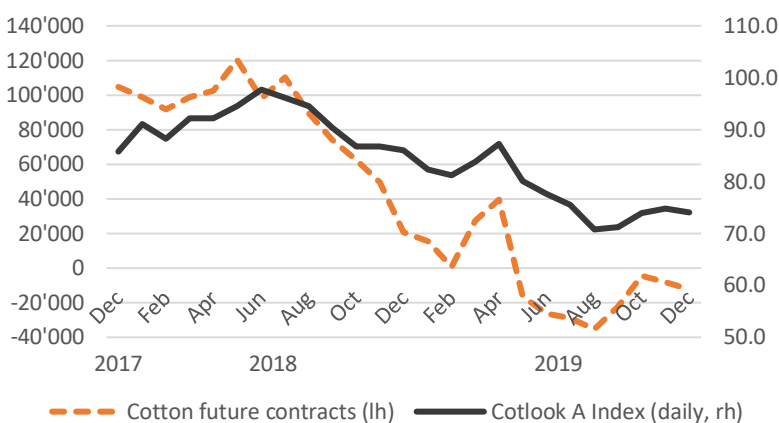
Chart 1: Cotlook 'A' Index



The Cotlook 'A' Index followed a positive trend since September but marks stagnation/decrease since November.

Source: Cotton Outlook

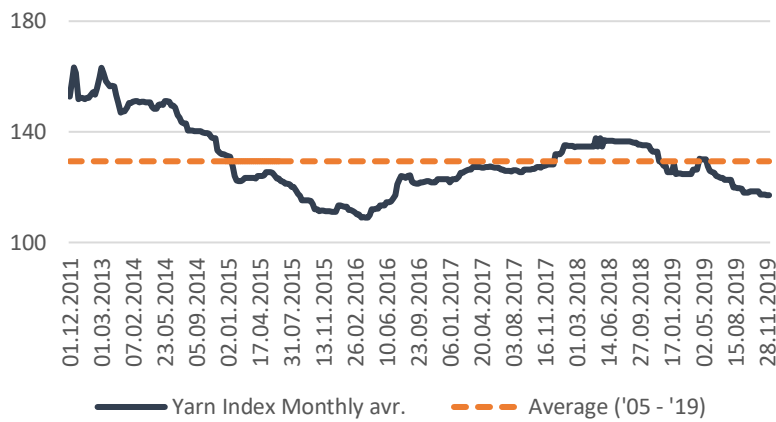
Chart 2: Cotton price and future contracts



The net-long positions of non-commercial traders and the Cotlook 'A' index stopped their downward trend in October 2019.

Sources: Cotton Outlook, Commodity Futures Trading Commission, and own calculations

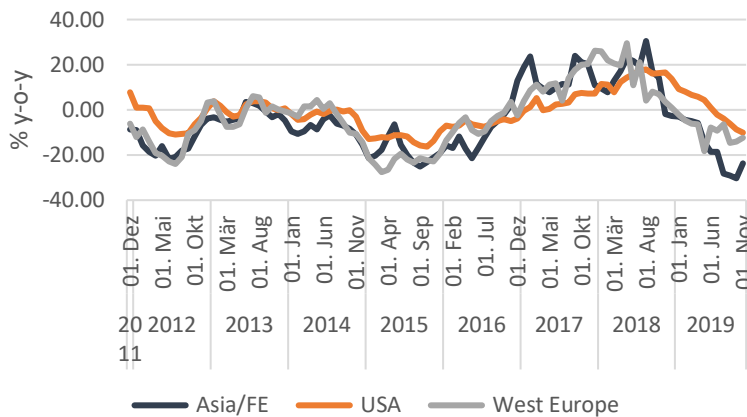
Chart 3: Cotlook Yarn Index



Cotlook Yarn Index has been oscillating around the long-term average of 129 since mid-2016 and follows a downward trend since Mai 2019.

Source: Cotton Outlook

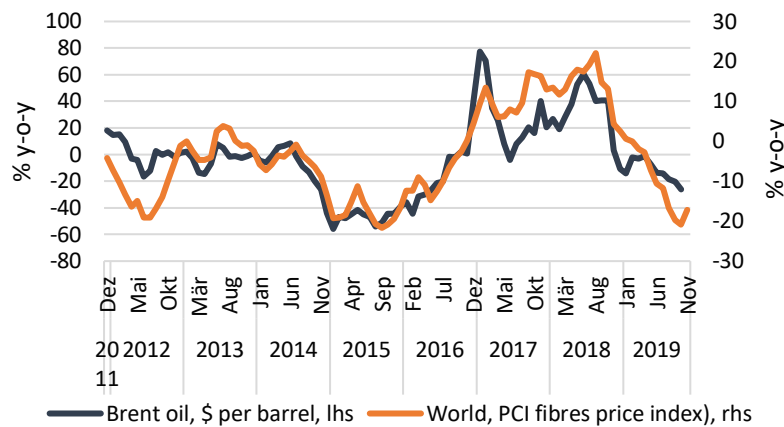
Chart 4: PCI synthetic fibres indices



The fibres indices track the relative movement of prices for major synthetic fibres. Polyester prices have been decreasing since mid-2018 in all examined regions.

Sources: PCI Fibres & own calculations

Chart 5: Oil price and PCI fibres price index



In October, oil prices decreased by 26% year-on-year to a level of 59.71 USD per barrel.

Sources: PCI Fibres Report, EIA & own calculations