



THE EUROPEAN APPAREL
AND TEXTILE CONFEDERATION

2012

ANNUAL REPORT



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President words

2012 was a challenging year for the European industry as well as for EURATEX who embarked in a re-focusing of its activities and profiling of the industry. One of the first tangible changes is the new EURATEX logo and the renovated EURATEX website that should become an engine for the wider dissemination of key EURATEX information for the companies of this industry. The other was the organisation, in November 2012, of the first EURATEX Convention in Istanbul, jointly organised with the Turkish Textile industry. The event was attended by more than 250 delegates who had the opportunity to discuss the current trends in the global technical textiles market(s) and the role of the EU technology policy in such markets and listening live to examples from Turkish companies or EU sectors providing solutions to other industries and for changing lifestyles. I sincerely hope that the 2013 event, planned early November in Berlin, will also provide thrilling results and will show how the European Textile and Clothing industry is forward looking, innovative and open to change.

Once more trade issues have dominated the 2012 agenda. As usual trade in textile and clothing is used by number of political officials as an “easy” bargaining tool without economic considerations on the impact of such decisions on all or some of the European industrialists obliged to face growing imbalanced competition on the European market (i.e. the waiver for Pakistan). This is an attitude that must change and stop. On the other hand EURATEX and its members maintained a positive and proactive attitude on the decisions from the European Institutions to embark on an ambitious agenda of bilateral negotiations that in the eyes of economic operators, despite the slow progress (i.e. Canada, India, Mercosur, etc.) must promote recip-

rocal and symmetric benefits to both trading partners. Those negotiations are one of the vehicles used to reduce as much as possible the barriers to trade that are increasingly hampering Europe genuine exports. I salute the efforts of my colleagues that achieved last year the best exporting results since the start of this century and this amid a very uncertain economic situation. I sincerely hope that those results will be consolidated during this year. In 2013 the opening of the formal free trade agreements negotiations with two key trading partners, Japan and the United States of America, must attract all our support. Yes, such FTAs, once signed, may put the WTO system into some difficulty but on the other hand Europe cannot be absent from the negotiating table when it comes to facilitating trade and promoting mutual and symmetric benefits around the globe with trading partners ready to play and abide by open and agreed rules based on their international commitments.

Among the major changes in the way the industry will operate in future, I would like to stress the important decision taken by EURATEX together with our partners of the textile research organisations (Textranet) and of the textile universities (Autex) to provide a new set-up to the European Technology Platform for the Future of the Textile and Clothing. This instrument, founded at the end of 2004, needed to change its approach in order to be able to better respond to the new requirements of the future HORIZON 2020 policy from 2014 onwards. It is with this in mind that we have funded a separate entity that will work even more in symbioses than before with the research community to bring growing value to SMEs through innovative technology solutions nearer to the market. This example should in my view be seconded by

similar actions at national and regional level in order to create a true European network servicing companies' innovations in line with the markets' requirement both for industry applications and fashion-led markets.

I will close my introductory words by underlining the imperious need for the EU Commission and the Member States to put at the centre of their agenda the competitiveness of the European industry as the best way to support Europe's economic recovery. It is with that in mind that EURATEX welcomes and supports the efforts of Vice-President Tajani to attract attention to the European Fashion and High-end industries. Work started at the end of 2011, a strategy is now identified and I count on this year for harvesting tangible results provided all stakeholders, be they economic operators or officials, contribute actively and positively to this process with the spirit of improving the framework in which the 180,000-plus textile and clothing companies are today working.

2013 will be another challenging year not only for EURATEX but also and mostly for the industry which is facing one of the most difficult times ever. However, prospects are moving towards improvements while European Institutions should become more sensitive to the specific needs of our industry. I would like to thank the staff of EURATEX for its relentless work and commitment to our industry.

Alberto Paccanelli
President of EURATEX



Industrial policy

Francesco MARCHI

Horizontal policy matters play a growing role in the Textile and Clothing industries in order to set the right European framework for enhancing industry competitiveness.

1. The key aspects of competitiveness of the fashion industries¹

During the last quarter of 2011, the Commission started the process of preparing a possible Communication on “*Key aspects of the competitiveness of the fashion industry*” that was planned to be adopted by October 2012. This occupied a large part of EURATEX time as DG Enterprise adopted a two-track approach:

The first track was the finalisation of a study on the Fashion industries combined with the development of concrete actions and measures that would be included in the planned Communication. Several meetings were dedicated to this during the first semester. This work was complemented by a “*Workshop on the European Fashion Industries*” actively attended by EURATEX and number of its members. The event, co-organised by the Employers Group of the European Economic and Social Committee and the European Commission, allowed discussion of the strengths, challenges and opportunities faced by the fashion industries and identification of ways to promote their sustainable growth and competitiveness. The objective of such an event was to enable all the stakeholders to contribute to the drafting process of the future Communication of the European Commission on fashion industries.

The second track was the continuation of the occasional informal high-level CEOs’ lunches organised by the European Commission Vice-President Antonio Tajani, responsible for Industry and Entrepreneurship, such lunches were aimed at validating the process and the avenues identified by the Commission services and the stakeholders for the competitiveness of the sector.

At the end of these processes the results were somewhat different from the expectations. Indeed, Commission issued two staff working documents on fashion and high-end industries as well as a Communication on “*Promoting cultural and creative sectors for growth and jobs in the EU*”² which contains several references to the above two industries. This result was sub-optimal but the best possible considering the political constraints faced.

The Fashion industries¹ and High-end industries³ staff working documents did propose a number of possible actions that are included in the following four priority areas: [a] the investment in knowledge, skills, creativity and innovation; [b] the protection of the creative efforts of fashion companies while fostering the digital market; [c] the need to ensure a level playing-field in international trade and [d] ensuring coherent framework conditions necessary for a sustainable growth in the fashion industries.

EURATEX insisted that these documents should serve as a reference point for the development of a pragmatic and practical set of priorities to be implemented to the

¹ **The Fashion Industries** include fashion design, manufacturing of materials and fashion goods (such as textiles, clothing, footwear, leather and fur products, jewels and accessories), as well as their distribution and retail to final consumers.

² **Cultural And Creative Sectors** : Covering in particular architecture, archives and libraries, artistic crafts, audio-visual (including film, television, video games and multimedia), cultural heritage, design (including fashion design), festivals, music, performing and visual arts, publishing and radio.

³ **High-end Industries** are made up of the high-end segments of several products and services markets, such as fashion, jewels and watches, perfumes and cosmetics, accessories; leather goods; furniture and furnishing, household equipment; and in a wider sense they can even include gastronomy, wines and spirits, cars, boats, hotels and leisure experience, retail and auction houses and publishing.

benefit of those industries. To reach that goal an informal consultation process was set up under the leadership of DG Enterprise in order to prepare a new *informal High Level lunch* in early 2013 to test a limited number of priorities on which Commission servicers will work during 2013.

2. Textile Fibres Names Regulation

After the adoption and the publication of “*Textile fibre names and related labelling and marking of the fibre composition of textile products*” (Regulation (EU) n° 1007/2011), 2012 was a year dedicated to: [a] the implementation of such provisions; [b] the follow-up of the studies, launched by the Commission, that should serve as a basis to draw a report to the European Parliament (EP) and the Council before end of September 2013.

On the implementation issue, EURATEX maintained its vigilance and worked all along the year hand-in-hand with its members, interested stakeholders from other sectors and the Commission in order to solve or prevent possible interpretation problems of the legislation.

As far as the *studies* are concerned EURATEX ensured full transparency and worked to provide the consultants with the best information and contacts across the membership.



The first and more complex study already started in August 2011 and was a feasibility study aiming to inform on the potential impact for numerous policy options identified in the table below. In that context: [a] EURATEX met with the consultant (Matrix) to answer questions related to the impact of introducing additional information on the EU label whether on a mandatory or voluntary basis; [b] EURATEX attended the presentation of the draft results of the above-mentioned study. No definitive conclusions have been presented yet but the results have provided a fair idea of the possible outcome. They are globally in line with EURATEX expectations.

Areas covered by the Matrix study for Textile Names

Specific types of labelling	Delivery of information to consumers
<ul style="list-style-type: none"> • information on country of origin • traceability labelling • identification of the manufacturer • care labelling • size labelling • flammability labelling • labelling of allergenic substances • organic labelling • environmental labelling • social labelling 	<ul style="list-style-type: none"> • electronic labelling and alternatives to labelling to deliver information including: <ul style="list-style-type: none"> – use of electronic labelling (i.e. RFID chips) – use of codes for obtaining further labelling information online • use of language-independent symbols or codes for fibre composition labelling

The second study aimed at assessing the “hazardous substances used in textile products and to evaluate whether there is a causal link between allergic reactions and chemical substances or mixtures used in textile products” in other words the focus was on the link between allergic reactions and chemicals used and remaining on finished textile products. The study started much later in 2012. Considering the peculiarity of such a study and the overlap with other existing legislation, EURATEX managed to create a multi-sectorial mirror group aiming at exchanging views with the consultant in charge of the study (RPS) and DG Enterprise. In this context the mirror-group met to evaluate the content of the results of such study and in due course prepared the industry comments.

The final results of both studies and the report to the EP to be issued before the end of September 2013 will be the focus of next year’s work on top of possible implementation issues.

3. The State Aid Modernisation

The EU Commission has started the exercise to review the existing legal framework for State Aid. Considering the complexity of the different legal texts the exercise should not be completed before the end of 2013. EURATEX is closely monitoring the issue focusing in particular on the subjects that have a more direct impact on our companies- **(a)** SME definition, **(b)** *de minimis* criteria and **(c)** support for trade fair participation.

A concerns the last point – support for trade fair participation - because of the specificity of our sector EURATEX has taken a more active role by requesting a change in the legislation to allow for more than one participation per trade fair to be supported. In this context an official letter was sent to all the Commissioners concerned (Competition, Industry, Trade and Internal Market). Similar letters were also sent by other sectors that share similar views (Footwear and Leather).

EURATEX Events

EURATEX sponsored a number of events that gathering brought together a quite high number of stakeholders and companies having an active interest in exchanging views on the policy lines avenues that are being followed by the textile and clothing industry (list below).

- “The EU-Brazil relations in the Textile & Clothing industry” - Seminar, 13-14 February 2012, Brussels
- “From FP7 To Horizon 2020” - 7th Annual Public Conference of the ETP Platform, 29-30 March 2012, Brussels (*press release*)
- “The EU technical textile industry is a key development field for Europe” - Public part of EURATEX General Assembly, 19 June 2012, Brussels (*press release*)
- “EU-Korea FTA one year anniversary - How to maximize benefits for Textile & Clothing economic operators” - Joint Euratex/Kofoti Seminar, 20 September 2012, Première Vision, Paris
- “The Growing Role Of The European Technical Textiles Applications” - 1st EURATEX Convention, 15-16 November 2012, Istanbul (*press release*)
- “Innovation for Resource Efficiency in the Textile and Clothing” - Conference, 22nd November 2012, Brussels (*press release*)
- “How to improve employability & employment in the Industry” - Second Textile Clothing Leather European Skills Council Final Conference, 11-12 December 2012, Brussels (*press release*)

EURATEX Position Papers, Press Releases

During the entire whole of 2012, EURATEX faced, as did other industries, a growing number of **public consultation** requests made by the EU Commission on a vast array of subjects, a number of which are impacting our industry. Even though not responding to all of them, EURATEX raised its profile in by providing key contributions:

[a] to few some of those these consultations, for instance:

- Position of the European textile and Clothing Industry – Support for SME Research & Innovation under HORIZON 2020
- Public Consultations on EU-USA Trade Relations and the REgulatory issues, Euratex Position paper
- Support to for SME Internationalisation in the context of the Commission State Aid Modernisation
- EU-Vietnam FTA
- EU-Armenia, Georgia and Moldova FTAs

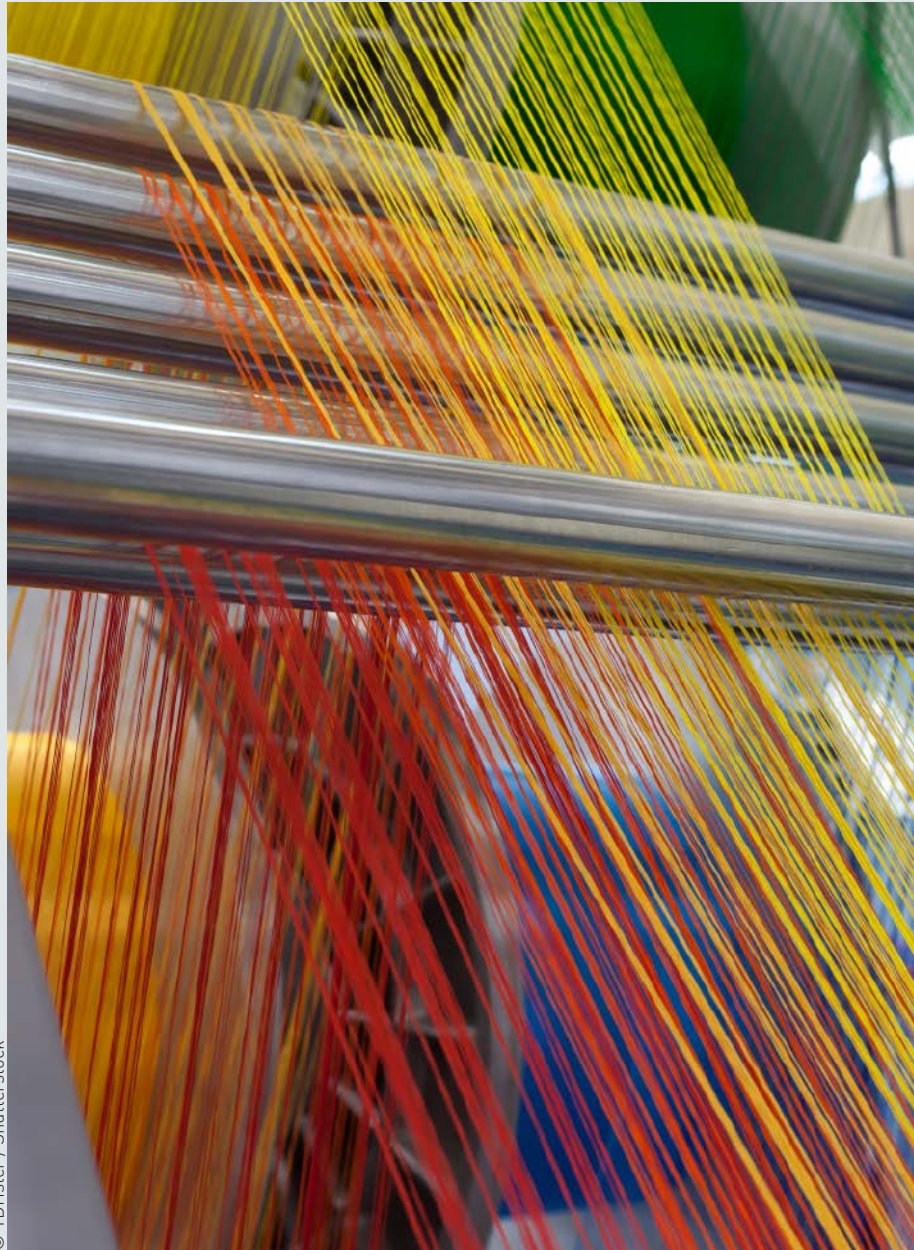
[b] to issues of importance for the competitiveness of the industry:

- Euratex position on the Eurasian Customs Union Regulation on the Safety of Consumer Goods for Children and Adolescents
- China Textile and Clothing Subsidies in the context of the WTO
- Textile and Clothing Business Environment in Egypt
- India ban on Cotton Exports
- The future Free Trade Agreement between EU and Canada (CETA)
- The Pakistan waiver

- Eurasian Customs Union Safeguards on Fabrics- Euratex submission as Interested Party on behalf of the EU Industry
- EU Commission proposal on International Public Procurement- Euratex position

Moreover, besides **press releases** related to events sponsored by EURATEX, the industry was quite active in disclosing its positions to the press in particular on, but not confined to, issues of interest in the Trade area, but not only. Below is a non-exhaustive list of titles:

- "EURATEX urges the European Parliament and EU member states to adopt ACTA - (Anti-Counterfeiting Trade Agreement)"
- "EURATEX strongly opposes the Pakistan waiver"
- "EU textile and clothing industry still not happy with the GSP outcome"
- "The future Communication on the Fashion Industry should bring tangible and focused actions to the benefit of our SMEs "
- "European manufacturing and creative industries react to European Parliament vote on ACTA"
- "Europe must shape its industrial policy to emerge stronger from the current economic and financial crisis" – Joint Press Release with the Alliance for a Competitive European Industry
- "EURATEX requests asks the European Parliament to reject the Pakistan waiver"
- "EURATEX strongly disappointed with Pakistan's waiver approval"
- "e-Business & Moda - eBIZ gathers business cases and perspectives on digital communications for fashion in Spain"
- "Conference of the European Sector Council on Education Training & Employment in the Textile Clothing and Leather industries"



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4. The Euro-Mediterranean Dimension of the Industrial Policy

The Euro-Mediterranean region accounts for a major share of European textile and clothing exports and is a key focus for EURATEX. Hence its strong involvement in the conference organised in Milan by DG Enterprise on the *“Challenges and opportunities for the textiles and clothing sector in the Euro-Mediterranean Region”*. The meeting was well attended with over 80 representatives from that region representing industrial associations, chambers of commerce, companies and research centres in textiles and clothing. The objective was to share best practices in securing support for their activities regarding programmes for innovation and research, support for SME cooperation and social dialogue, as well as available funding for modernisation of the textiles and clothing sector affected by the economic crisis. Speakers presented various existing programs, cross-country business to business (B2B) and business to research (B2R) cooperation, loans and other funding opportunities for start-ups for the textiles and clothing sector in the Euro-Mediterranean region.

EURATEX contributed actively and constructively throughout the Conference with particular attention to: [a] the social dialogue session including the improvement of education and training in the sector; [b] the moderation of the session on the *Opportunities for Research and Innovation cooperation* (cross-Mediterranean collaborative projects for the sector companies). A follow-up conference on skills is expected for 2013.

The other main focus was on the implementation and finalisation of the TexWEB-project requirements and the participation in specific national days in TexWEB Balkan countries aiming at raising the profile of the local textile and clothing in relation to the administration and national stakeholders (see related point in the Project section).

Trade

Luisa SANTOS

Trade the key growth factor – in 2012 the stagnation in the EU market led to an increase in exports, the main growth factor of the year in our sector. Overall T&C exports grew by 6.3% in value and 5.7% in volume. This positive trend was visible in all major export markets but in particular in the US, Japan, China and Russia.

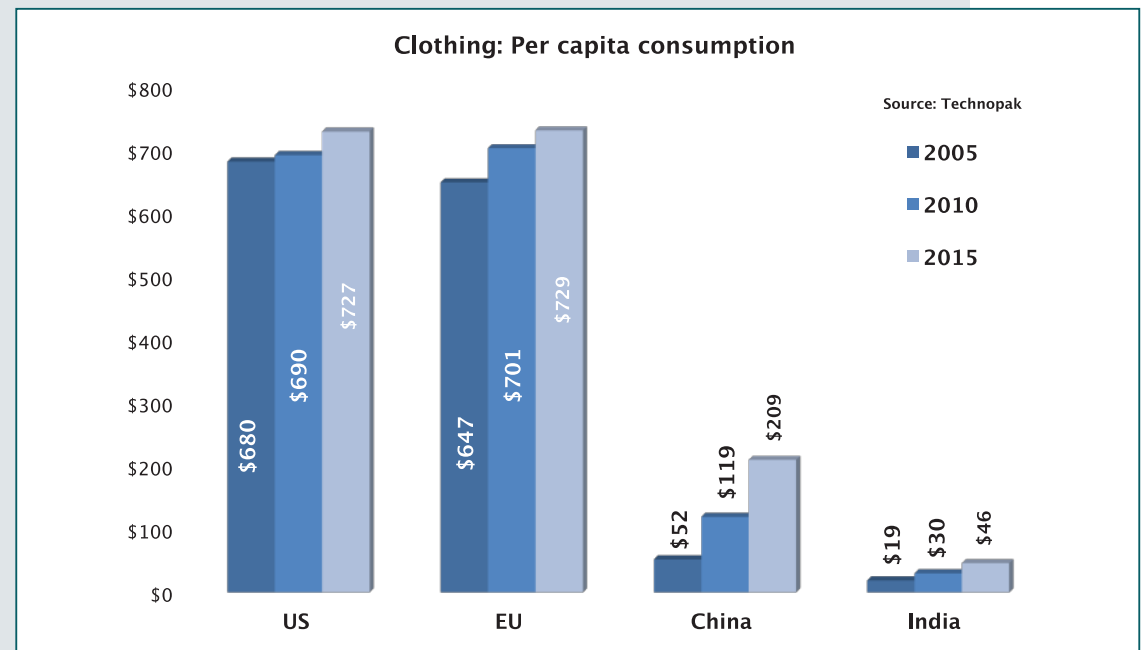
As a consequence our trade agenda in 2012 was conditioned by Access to Markets and the need to improve overall conditions for our companies to export and do business in Third Countries, particularly in Emerging Economies. Apart from a growing number of Free Trade Agreements being negotiated by the EU, we have also witnessed in 2012 a worrying wave of structural protectionism that combines barriers to trade with industrial policy measures and local content requirements.

2012 marked also the review of the Euratex Trade and Markets Strategy with a clear focus on a dynamic and proactive agenda that has “Access to Markets” as the key priority.

1. Access to Markets

Much of the growth potential, especially in the fashion sector, will be in emerging markets and less in developed/mature markets that nevertheless will continue to be important as the purchasing power in absolute terms is substantially higher:

Clothing-per capita consumption



For this reason it is absolutely essential to obtain improved access to Third Country Markets in the short term via the Market Access Strategy and in the medium term through Free Trade Agreements.

A. FTAs

The number of ongoing FTA negotiations has significantly increased in 2012. The EU launched negotiations with Vietnam, Armenia, Georgia and Moldova and only one agreement was concluded in 2012- Singapore. Moreover in some of the most important FTAs under negotiation, Canada and India, progress has been made but not enough to allow completion. As for Mercosur it is clear that the prospects are far from being good as the Exchange of Tariff Offers has been postponed several times and is now supposed to take place by October 2013.

Concluded in 2012

Singapore - the negotiations were formally concluded in 2012 but some parts of the Agreement were not completely settled. Since Singapore already granted duty-free access to EU T&C the benefits of the agreement are rather limited. However since this is the first agreement with an ASEAN country it will serve as a basis for the future agreements the EU is negotiating with this bloc (at the moment, Malaysia and Vietnam).

Under negotiation in 2012

India - despite progress made, the list of open issues remains long. As far as T&C there is an overall agreement in Tariffs (ensuring overall reciprocity and symmetric dismantling) and Rules of Origin (GSP as basis). However issues such as Export Restrictions, Additional Duties and Non-Tariff Barriers are still unresolved. Moreover India's offer in Public Procurement is far from being satisfactory. The main positive point in 2012: India agreed to open Single Brand Retailing to Foreign Direct Investment up to 100% although under certain conditions.

India's Cotton Policy – remains a problem as it is difficult to anticipate if some export restrictive measures will be taken by the Government in response to political pressure.

Canada - the agreement was supposed to be finished in 2012. However the open issues are important and did not allow completion. T&C are among the unsolved issues as an agreement on Rules of Origin has not been reached yet. It is clear that in order to conclude the agreement, derogations will have to be accepted, but the exact terms of these derogations, including the fact that they should be reciprocal, have not yet been agreed. During the year Euratex sent several official letters to the

different DGs involved in the negotiations (DG Trade, DG Enterprise and DG Taxud) stressing the sector's position.

Mercosul - the negotiations are at a standstill and nothing significant happened in 2012. The exchange of tariff offers was postponed several times and is now due to take place by the end of 2013. In the meantime both Argentina and Brazil took several protectionist measures that made our exports more difficult (see further down for more details). Nevertheless Euratex continued to enhance its cooperation with Brazilian Industry via the organization of two Seminars, one in Brazil and the other in Brussels, to improve market and industry knowledge.



*Euratex-ABIT Seminar in Brussels
February 2012*



*Euratex-ABIT Seminar in S. Paulo
January 2012*

Malaysia - the negotiations did not make much progress in 2012 since Malaysia has to change some internal regulations in order to comply with the scope of negotiation.

Vietnam - Euratex participated in the Public Consultation prior to the negotiations to stress the main concerns of our sector regarding this agreement- (a) non-market economy and the role of state-owned companies; (b) close ties with China, its main textile supplier; (c) absolute need to have a double transformation rule; (d) close relation between tariff dismantling and rules of origin.

Armenia, Georgia and Moldova - the main discussions concern tariffs in the case of Armenia and Moldova: Georgia grants already duty-free access to EU T&C. The two countries are proposing very long dismantling periods, 10 years for Carpets, Clothing and Made-ups. The EU is trying to obtain a more reasonable dismantling period. These Agreements should be concluded in 2013.

To be launched

Japan - after long discussions and considerable opposition from the Automotive Industry the mandate to start negotiations was finally given by the Member States. The mandate imposes very strict negotiation conditions with a revision clause after one year. Euratex along with other Industry and Services organisations voiced its support to the start of the negotiations and has already started contacts with its Japanese counterparts to address NTB issues in particular.



Euratex-JTF meeting in Milan

USA - during 2012 the Commission promoted several initiatives - meetings and public consultations - to hear the views of the different EU stakeholders on a possible comprehensive trade and investment agreement with the US. Euratex had an active participation in these initiatives, always pointing out the advantages of such an agreement for our industry and strongly supporting this initiative.

B. Market Access Strategy

In 2012 the main concerns for our Industry came from two important markets - Brazil and Russia. On the positive side there is not much to report apart from the fact that Argentina was forced to withdraw its Non-Automatic Import Licence System and in Turkey the situation has improved in what concerns goods originating in the Paneuromed area.

Brazil - apart from increasing customs controls (T&C are going systematically through the red channel) the country has increased the duties for a list of 100 products that included Viscose Yarn. The EU has opposed the measure but legally nothing can be done at WTO level since Brazil remains within its bounded duty rates

2012 was characterized by an increasing number of protectionist measures being adopted in key markets, in particular Brazil and Russia. These measures are usually part of a long term plan that combines actions destined to limit imports with initiatives aimed at developing local industry and promoting foreign direct investment.

[35%]. In parallel the Brazilian Government adopted a set of measures aimed at supporting domestic industry- e.g. tax reductions, local content requirements, financial support to investment.

Russia - in the framework of the Eurasian Customs Union the country adopted new legislation concerning safety of consumer goods and goods destined for children and adolescents. The legislation imposes strict requests on producers, does not follow international standards and imposes qualitative criteria as mandatory. In practice T&C are perceived as risk/dangerous products. The Eurasian Customs Union has also launched a Safeguard Investigation that affects a considerable number of Synthetic and Artificial Fabrics: Cotton mixed with a proposal to introduce a 50% duty on imports, including those coming from the EU. Euratex has been actively engaging in the procedure on behalf of EU Exporters to try to prevent the measures.



Egypt - although a less important market this country has also taken a number of measures aimed at protecting local industry and rendering imports more difficult. These include Safeguard measures on Cotton Yarns and Fabrics and mandatory certification of all T&C products imported into the country. Euratex has been working in cooperation with the Commission to render the certification procedures less burdensome and simpler to European Exporters.

Argentina - in view of the huge pressure from several of its main trading partners, particularly the EU and the US, and following the constitution of a WTO Panel, Argentina finally decided to lift its Non-Automatic Import License System that has affected our exports for several years.

Turkey - goods originating in the Paneuromed area and entering Turkey through the EU were finally exempted from paying the additional duties. This was a long-standing request from Euratex and its members and this decision has significantly improved the situation for EU companies producing in the Paneuromed area. Nevertheless other issues remain, in particular the fact that EU companies are paying

higher duties, even when imports come from countries that benefit from a lower duty rate, because they enter Turkey through the EU.

2. GSP

The new GSP regime will be in place from the 1st January 2014 and overall it represents a significant change if compared with the current system as the list of beneficiary countries will be substantially reduced. For T&C the major negative point remains the possibility of Pakistan obtaining GSP+ status.

GSP Outcome - Positive

Reduction in the number of beneficiary countries (exclusion e.g. Brazil, Argentina, Gulf Countries)

Reinforcement of the Safeguard Provisions

More efficient Textile Safeguards - these will apply both to Textiles and Clothing, and the launching thresholds have been reduced

Withdrawal of benefits in case of non-compliance with WTO rules

GSP Outcome - Negative

Increase in the vulnerability threshold of GSP+ from 1% to 2%

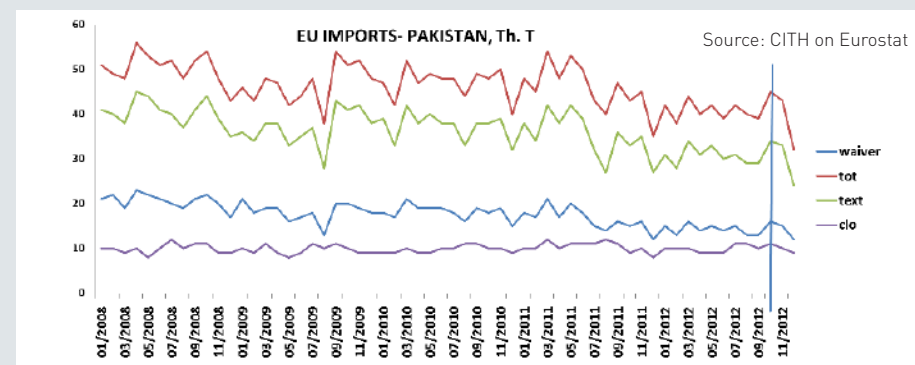
No graduation for GSP+. This means that a country can no longer be excluded in GSP+ even if it becomes competitive in a given sector

Implementation of the GSP+ Conventions- has improved but is still too lenient

3. Pakistan Waiver

After two years of the Industry fighting, political interests ended up prevailing over the economic ones and the Waiver was finally granted to Pakistan although with important limitations in terms of products and quantities. The Waiver entered into force on 15th November 2012 and it will be in place until 31st December 2013. Due to the slowdown of consumption in the EU the statistical data regarding the

Waiver shows a relatively modest increase in imports for the first months of implementation:



4. Paneuromed

The EU has adopted its negotiating position on T&C. Overall the EU negotiating position is in line with the Euratex proposal with some minor changes. This position is the starting point for the negotiations with all the other Paneuromed members that in general (apart from Turkey) defend a more flexible approach in our sector. For the moment all the partners remain with their initial positions and it is difficult to anticipate when an agreement will be reached.

5. Euratex 2020 Strategy - Trade and Markets

In the framework of Euratex 2020 Strategy and after a thorough assessment of all the activities and priorities in the area of Trade and Market it was agreed that: (a) obtaining improved access to markets is the key priority for Euratex in the Trade area; (b) enhanced cooperation with member associations and companies in identifying market access problems should be envisaged; (c) a special Market Access Working Group with companies' experts should be created; (d) IT tools should be used to exchange information and improve knowledge of existing problem,- e.g. Euratex new site; (e) a technical exercise to simplify Rules of Origin for T&C



Texweb Seminar on Trade Policy and Labelling- October 2012 in Zagreb

should be carried out. In parallel Euratex has continued to promote information sessions to companies and associations concerning Trade Policy, e.g. the Texweb session in Croatia.

6. International Public Procurement

In a joint initiative from DG Trade and DG Market the Commission presented a legislative proposal aimed at rebalancing the market access situation as concerns Public Procurement. The growing importance of Public Procurement markets, particularly in Emerging Economies, and the difficulties faced by EU companies in accessing these opportunities while the EU market is quite open and easily accessible to bidders from Third Countries, motivated the EU Commission to present a proposal that intends to correct the situation and bring more balance to this important market. Euratex is favourable to the Commission's Proposal although the threshold limit for its application is high (€5 million) and ideally it should be brought down (€1 million) to have a positive impact in our sector. Unfortunately Member States are quite divided on the proposal and the debate promises to be long and difficult.

7. Union Customs Code

As a consequence of the Lisbon Treaty and the changes in the decision-making procedure - Comitology - the Customs Code is under revision. The main concerns for the Industry overall is to ensure a harmonised application of the code and that the changes introduced in the Comitology do not render the customs procedure more complex, less predictable and controllable.

8. Made in Regulation¹

The EU Commission decided to withdraw its "Made In" Regulation for imported goods. Behind this decision was: (a) the lack of consensus among Member States, which created a deadlock situation in the Council, and (b) WTO decisions that considered similar type of legislation to be discriminatory and thus inconsistent with WTO rules.

9. Trade Defence Instruments Modernisation

DG Trade launched a public discussion on the Modernisation of the Trade Defence Instruments. The Commission claims that the modernisation exercise is meant to update the existing legislation to the changes in the business and competitive environment and to make the instruments more efficient. The legislative proposal due to be presented by the end of 2012 has been postponed. Euratex is monitoring the issue as TDI should be a workable tool capable of functioning when all the conditions are met.

10. International Cooperation

In 2012 Euratex continued to develop its relations with Third Country Industry Organisations. Our focus was on the key markets- Brazil (Joint Project with ABIT) and

¹ The mandatory country of origin indication is part of the General Product Safety Regulation proposal presented by DG Sanco and DG Enterprise in 2013

China (meeting in Milan with a delegation of the China Chamber of Commerce for Import and Export of Textiles - CCCT) to discuss the current market situation in the EU and China. But we have also given priority to the countries that have an FTA with the EU (South Korea) or the ones we will be negotiating with in the near future (Japan). In the case of South Korea we have organised a Joint Seminar with Kofoti in Paris to discuss one year of the EU-Korea FTA.



In the framework of our relations with other business organisations Euratex participates actively in Businesseurope's different committees in the area of Trade and International cooperation. Additionally we were invited to speak in two events organized by Businesseurope- one on WTO (Raw Materials) and the other one on the EU-Japan FTA.



11. Relations with EU Institutions and other business organisations

A significant part of Euratex activities is focused on the contacts and close cooperation with EU Institutions as well as other Industry organisations. Among the different actions we would like to highlight the following: (1) EU Commission- Euratex in cooperation with Fedustria has organised a company visit (Concordia) with the new T&C responsible in DG Trade. Euratex was invited (along with Businesseurope and Cefic-Chemical Industry) to give its opinion on the way our Industry has been interacting with DG Trade and what could be done to improve the relationship. Our opinion was recorded in a video that afterwards fed an internal debate. (2) Council/ Member States- Euratex was invited both by the Danish and Cypriot Presidencies to make Presentations in the STIS-Trade Policy Committee regarding the situation in the EU T&C sector and the key topics in the sector's Trade Agenda. (3) European Parliament- on top of regular contacts and meetings with MEPs on key issues, Euratex was invited to be a panellist in a Seminar organized by the Swedish Chamber of Commerce and MEP Christopher Fjellner on the new GSP Regime.

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Economic reports and statistics

Roberta ADINOLFI

1. EC Policy in the Statistical field

Euratex regular work includes the monitoring of *simplification measures in the Community statistical field*, which are introduced by the Commission through the MEETS programme (Modernisation and Integration of Enterprise and Trade statistics), the national statistical Institutes and national customs administrations.

Part of Euratex's activities in 2012 was dedicated to the *5th HS Review Cycle*, with a view to making sure that the HS nomenclature reflects Members' trade needs in the next decade. The starting point of the 5th Review Cycle is made up of the left-over items from the last cycle, including Euratex proposals. This revision is expected to be completed by June 2014 and the revised version will come into force in 2017.

Under this framework Euratex also sent the Commission a letter opposing almost all proposals, made once more by the German administration, to drastically simplify HS sub-headings relating to the textile sector. Thanks to National and Branch Associations' input, Euratex provided strong argumentation for maintaining the sub-headings that are essentials for the industry. The proposed summings-up concern, without exception, products which vary considerably in quality, degree of processing or other material characteristics. In the face of the product diversity in the textile area, where seemingly small deviations and features can make a decisive difference, such summings-up could mean an enormous loss of information. This could affect both small high value niche industries and large sectors.

The sector's increasing export orientation, as well as the continually rising amount of imports, renders it necessary to obtain an accurate picture of trade activity. Furthermore, the EU is currently negotiating several free trade agreements which will modify trade structure in coming years and have an impact on production sectors in Europe. Finally, new orientations by the sector or innovative areas will probably, in

future, even render it necessary to differentiate even more strongly, respectively to introduce new HS sub-headings.

2. Economic & Statistical reports

Beside the lobbying activities, the economic & statistics department provided Members and other Euratex departments with *economic and statistical reports* to support various files, for instance on commercial policy matters - and more particularly that on the Rules of Origin, the General System of Preferences, FTA negotiations, and Barriers to Trade, as well as third-party country trade monitoring.

Within the framework of its *regular analysis on the economic climate of the Textiles and Clothing industry*, Euratex released the "Statistics in Focus" publications which analyses the evolution of EU production, employment, new orders, retail sales, imports and exports during the January-December 2012 period. The aim of this short report, which is published on a quarterly basis, is to better monitor the economic situation of the European T&C industry throughout the year.

In addition to the short-term statistical reports, Euratex issued the 2011 *structural data* computed by Euratex using Members' contributions. These figures cover variables for the EU-27 and the other countries members of Euratex. An estimation of the 2012 structural data for the EU-27 Textile and Clothing industry can be found in this annual report.

In addition, the economic & statistics department also published a series of *bulletins* in 2012:

- **Bulletin no. 01/2012** provides detailed reports of the economic situation in the Textile and Clothing Industry in 2011 as well as prospects for 2012. These reports are written by the Associations present in each EU-27 Member states, Argenti-



na, Bangladesh, Brazil, Colombia, Croatia, Egypt, India, Indonesia, Israel, Japan, Korea, Macedonia, Mexico, Norway, Pakistan, Serbia, Switzerland, South Africa, Taiwan, Thailand, Turkey and USA.

- **Bulletin no. 02/2012** includes, under part A, an analysis of *EU external trade in 2011* - the global sector as well as countries that are the main suppliers or customers of the EU. It also evaluates the weight of regions and sectors in EU trade during the period under review. Furthermore, part B gives a special report with tables and graphs for each of the 33 main EU trade partners.
- **Bulletin no. 03/2012** provides an *in-depth analysis of the EU Textile and Clothing External Trade 2010-2011*. It includes trade evolution by sector (i.e. natural & man-made fibres, yarns & threads, woven & knitted fabrics, carpets, home textiles, occupational wear, men & women's clothing), by products (around 140 products e.g. cotton yarn, denim fabric, bed linen, woven trousers,...) and by EU trading partners (33 countries).
- **Bulletin no. 04/2012** headed: *Changes and Challenges in the Textile & Clothing Industry - Selected Snapshots*. This new issue contains five reports: (a) Prosumer-net (b) Situation of the Tunisian textile and clothing industry in 2011 and outlook for 2012; (c) Sectorial Report on the Brazilian Textile & Apparel Industry 2012; (d) Sri Lanka: Textile and apparel data -2011; (e) Africa's Cotton and Textile Industry current situation and prospects for the future.
- **Bulletin no. 05/2012** gives an insight into the 2011 evolution of the Textile & Clothing sector and short terms prospects, as well as the European Economic Forecast for 2012-2014.
It includes EU consolidated changes, trade estimates and basic structural data (production index, production prices, turnover, investments, household consumption, retail trade and consumer prices).

Environment

Adil ELMASSI

This year several European environmental policies of interest to the industry were proposed and discussed. Some of them were adopted while others are still ongoing, as a result of which several actions were undertaken and common positions adopted. These range from, but are not limited to, industrial emissions, nanomaterials, REACH, biocides, eco-labelling, green public procurement, emission trading, packaging, climate change, resource efficiency and sustainable production and consumption. In this report, we seek to capture some of the main elements that characterised the year's Euratex activities including new challenges and future directions.

1. Where do we stand?

The European Commission launched its own work on state aid guidelines under the Emission Trading System. Only two textile subsectors were retained under the scheme for state aid. These are the preparation and spinning of cotton type fibres and manufacture of man-made fibre. Euratex opposed such an approach and formally objected to the selection criteria and the methodology applied. Euratex argued that all subsectors of the textile chain meet the criteria set. In absence of an EU-wide vision due to the scarcity of statistics in the field of energy, to prove its case, Euratex presented a case study made in Belgium in cooperation with FEDUSTRIA. At stake for the industry in this process is the qualification for aid to compensate for increases in electricity prices resulting from the inclusion of the costs of greenhouse gas emissions due to indirect emission costs.

DG Enterprise and Industry commissioned a study evaluating the use and the presence of dangerous substances in textile articles. The study was requested by the European Parliament within the framework of the Regulation on textile names and labelling. For the purpose of managing the impact of the study and facilitating industry input, Euratex established a mirror expert group that worked very closely

with the mandated consultants. Within the context of this study on the link between allergic reactions and chemicals in textiles our efforts were focused on collecting and reviewing existing literature and epidemiological data referring to allergies linked to textiles, and investigating which substances are used in textile products and meet the proposed definition of substances or mixtures causing allergic reactions and the related market analysis for these.

The European Commission presented its Communication on Annex 1 of the packaging and packaging waste Directive with illustrative examples of packaging and non-packaging. The new interpretation given to cones, tubes and beams will affect the industry. The new interpretation does not take into consideration the practices in the global textile supply chain and will therefore result in an economic handicap for companies. The internal market will not be safeguarded as we are sure that the Commission proposal will be differently interpreted and transposed into national legislation. With this in mind, Euratex urged the Commission to remove their proposal regarding cones, tubes and beams from its proposed Directive to the Council and the European Parliament. Euratex came to this view after long negotiations with DG Environment which came to a dead-end due to the inflexibility of the latter. Nevertheless, in this process Euratex managed to shift the position of DG Environment from considering cones, tubes and beams as packaging waste into granting an exemption to those intended as part of production machinery and not used to present a product as a sales unit. It is this last part of the sentence that raises ambiguities in regard to its interpretation, hence the concerns outlined above.

The first ad hoc working group meeting on the revision of the European Eco-label criteria for the textiles product group was held in February 2012. The preliminary report and the technical report together with the proposed new criteria were made available to the Members of Euratex. The preliminary report included background information such as the legislative framework, definition and categorization, market and technical analysis. The new proposal from the Joint Research Centre is very ambitious and look-



ing to extend the scope of the criteria for textiles to incorporate new areas namely, corporate social responsibility, environmental management practices, human and labour rights, working agreements and salaries together with occupational safety and health dimensions. In addition to these, the Joint Research Centre would like to add eco-design for improvement with design for durability and design for recycling criteria, consumer labelling with energy saving advice and avoidance of air freight. Euratex draws the attention of the industry to the proposed new scope which among others is also set to be expanded to cover process efficiency based on the Best Available Technique (BAT).

In conjunction with the above, the European Commission is also set to revise the criteria for green public procurement, the scope of which is highly dependent on that of the eco-label for textiles. Nevertheless the Joint Research Centre has indicated its ambition here too. The scope would be improved to cover reduced use of energy, water and detergent, together with the impact associated with landfill as well as incineration and resource inefficiency associated with the end of life phase. The scope may be refined to only focus on specific clothing and interior textiles i.e. uniforms, PPE and bed linen. These textile product categories may have distinct requirements and standards which may warrant specific criteria. Process efficiency could be addressed by requesting basic information from bidders. Further differentiation of tenders is also foreseen based on minimum contents of organic and IPM cotton as well as recycled content and process efficiency of the dyeing, printing and finishing stages. On this basis a large internal consultation on the two initiatives was undertaken giving rise to an industry position containing 79 amendments to the proposals.



A new Regulation on Biocidal Products will enter into force on the first of September 2013 with many unanswered questions still remaining concerning its implementation. As such Euratex remain engaged with DG Environment after the adoption of the new Regulation in the co-decision to elevate and alleviate the industry concerns. To this end, DG Environment proposed a strategy for deciding when a treated article shall be considered as a biocidal product due to its primary function. The distinction is highly relevant to the requirements for placing articles on the market. Treated articles without primary biocidal function will be forced to contain only approved active substances and in some cases to be labelled. On the other hand, those considered as biocidal product will have to be authorised. It will be difficult to specify in advance exactly which categories of articles will be considered to have a primary biocidal function despite having another relevant function. Future decisions will have to be taken on a case by case basis and as such many border line cases in textiles are to be decided upon. Our internal consultation gave rise to a number of

questions related to the European Commission strategy and decision tree as part of the ongoing implementation process. DG Environment is actively working on guidance for the implementation of the new requirements for treated articles including the notification procedure and labelling. As such Euratex remains fully engaged in this process.

REACH remained high among Euratex priorities for two reasons. Firstly it's a general report on the overall policy implementation including:

- the identification process of substances of very high concern and their relevance for the textile supply chain,
- the authorisation process mapping of ECHA and national activities,
- the status and recent developments in ECHA guidance activities,
- industry notification of substances of very high concerns in articles and related information extracted from registration and notification dossiers provided by ECHA,
- substance evaluation process with a particular focus on the Community Rolling Plan,
- raising awareness to the entry into force of the obligations for article producers and importers according to article 33 of REACH on information to consumers and article 7 of REACH on substances in articles notification.

The second reason concerned the REACH review activities. To this end, Euratex remained engaged with the launch of 12 supporting studies for the review of the Regulation. The latter result will be presented in 2013 as part of a future EC Communication to the Council and the European Parliament.

2. New Challenges

Stemming from the belief that industrial competitiveness will not be improved if business is subject to burdensome and unnecessary legislation where a level playing field between EU produced and imported products can hardly be achieved, Euratex launched this year a benchmark for its activities to help move toward a new 2020 vision and strategy.

A roadmap for the environment field have been adopted in which Euratex seeks to capture this accelerating transition. The approach advocated meets the different and often divergent interests within the industry and will ensure development in the right direction to respond proactively to future challenges.

The industry has the capacity to bring about appropriate changes and provide resources, skills, innovation and opportunities for technical co-operation. Equally important is the concept of environmental sustainability which is a key driver to achieve the appropriate balance to support the competitiveness of the industry.

The roadmap is based on a positive identification of priority areas, greater coordination and coherency between Euratex and its members, proactively taking high profile voluntary initiatives in the development of the appropriate industry tools to facilitate legislative implementation, and efficient and effective influence on decision-making at the European level.

To this end, the focus is on fostering adequate information for members and contribution to the internal consultation process for setting common positions, enhancing governance and cooperation between Euratex and its members coupled with more vertical priorities on energy, chemicals, pollution prevention and control, industrial emissions and eco- and resource efficiency.



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3. Future Directions

Part of the battle for the future lays in effective information on future policy orientation of the European institutions. To this end some clear messages came through of which we believe it is crucial to raise awareness of some of them.

To this end, in the Council the Swedish Government pleaded a need for coherent Union legislation on hazardous substances in textiles. The note is an open plea to the European Commission to develop a specific sectorial Regulation for textiles. The European Parliament called on the European Commission to make policy options by presenting a report by September 2013 on the link between allergic reactions and chemicals in textile products.

The European Commission also reached a conclusion on the REACH review and published the 12 supporting studies. The report makes a recommendation to improve REACH implementation. Taking into account the right of initiative, the European Commission will present a proposal based on the review outcome.

The EC adopted a Communication on the second regulatory review on nanomaterials. It assesses the adequacy and implementation of EU legislation for nanomaterials and indicates follow-up actions including the possible creation of a European product registry similar to the one already in place in France.

Responding to a growing need for environmental information on production processes and products, the European Commission is developing their own approach on the environmental footprint of products and production processes. The policy proposal accompanying the initiative is undergoing an impact assessment and is expected to be adopted in 2013. This could mark the beginning of a traceability system for textiles.

At the beginning of 2013 the European Commission will be proposing a new package of legislative and non-legislative measures to improve consumer product safety and strengthen market surveillance of products in the EU.



Social Matters

Stéphanie LE BERRE

1. European Social dialogue

EURATEX played a constructive role in the European Sectoral Social Dialogue¹ by being attentive to the concerns of its trade-union partners and to the issues tackled by the European Commission in the field of employment, social affairs, and education and training. With this in view, European Social partners have further strengthened their collaboration in 2012, maintaining sectoral social dialogue in textiles and clothing, one of the most advanced and complete at European Level.

The work programme was heavily influenced by the particularly difficult economic crisis in Europe and its consequences on our Industry. EURATEX and IndustriAll (formerly ETUF:TCL) agreed, within the framework of their European Social Sectoral Dialogue, to try to define jointly a common strategy to tackle the crisis in our

Industry. This programme finally intends to respond to the 7 flagship initiatives launched by the European Commission to boost growth and jobs, the 2010 EU Communication on *"The agenda for new skills and jobs: A European contribution towards full employment"*.

Amongst these various topics, some initiative occurring in 2012 might be particularly highlighted in the areas of skills, anticipation of changes and related issues of importance for the industry.

2. EU project on the implementation of the EU Textile & Clothing Skills Council

EURATEX, IndustriAll (Trade Union) and COTANCE (Leather industry) officially established the "European Council For Education and Employment in Textile, Cloth-

¹ Article 154 of the Treaty of Functioning of the EU (TF EU)

The European Social Dialogue working program in 2012

- The programme is structured around a number of sections: trade, industrial, social policy and enlargement.
- Follow-up of the textile-clothing issues part of external trade negotiations (FTA, WTO, GSP)
- Follow-up of the textile-clothing issues linked to the 2011 Regulation on Textile Fibre names and related labelling and marking of the Fibre composition of Textile products
- Follow up of the Communication, entitled "Communication on 'An integrated industrial policy for the globalisation era' and the single Market Act; (October 2010)
- Follow-up of the EU initiatives and future Communication on the Fashion Industry (DG Enterprise).
- Anticipating industrial changes: Social Dialogue partners followed the joint project launched by ETUF:TCL and EURATEX, in collaboration with COTANCE, on a "Research/Action programme" on a better anticipation/management of the restructuring in the TCL sectors. (First Round Table: February 2007).
- Education and Vocational Training: Joint project EURATEX –ETUF:TCL-COTANCE on the implementation and functioning of the new EU Skills Council Textile Clothing Leather and possible other joint EU projects to be discussed: i.e. the continuous adjustment of vocational training and education to improve the strategy for employment.



ing, Leather” association - abbreviated to “EU TCL Skills Council” - in April 2012. The EU TCL Skills Council aims at improving the level of education, skills and employment in the Textile, Clothing and Leather (TCL) industries. This core objective is pursued through an effective networking of the TCL Sector National Observatories and EU Social partners of the TCL sector, as well as through facilitating decision-making on education and training issues in the sector at European, national, regional and company levels. Networking should enable better coordination at European level, exchange of best practices and the fostering of alliances within the TCL sector and with strategic partners outside the industries. Decision-making will be facilitated by thorough monitoring of labour market developments and training needs, the production of surveys, reports and analysis on education- and training-related themes, and the development and promotion of an effective innovation policy including technical research, technology transfers and vocational training to support the sustainability and flexibility of the industry.

In the first year of activities, following the requests of the EU Commission in its call for proposal (financial support of the structure), the social partners together with the national observatories drafted four reports for the attention of the EU stakeholders of the Industry.

2012 EU TCL Skills Council Members	2012 Reports
Creative Skillset (UK), Opcalia (former Forthac, France), COBOT and IVOC (Textile, Clothing, Belgium) Osservatorio Nazionale Concia (Tanning, Italy)	(1) Evolution of the supply, employment and skills needs including foresight and forecast ; (2) Good practices bringing the worlds of education and work closer and reducing skills mismatches; (3) Innovative tools, national/regional/local strategies & initiatives, including peer learning ; (4) Recommendations of the EU Skills Council for Textile Clothing and Leather

These reports, as well as all the other activities of the social partners during this first year, were presented at the final conference which brought together representatives from the Commission and other EU institutions, Textile Clothing and Leather national representatives from employers and trade unions, current national observatories in Skills and Employment in TCL and representatives from other Industries involved in the same process with the EU Skills Councils. This was the first time ever such a wide-ranging audience was brought together to discuss the challenges and opportunities for the European Industry in the face of intense global competition and the necessary changes this causes on the EU Labour Market².

3. European Skills/Qualifications and Occupations (ESCO) initiative

The objective of the European Skills/Qualifications and Occupations (ESCO) initiative is to develop a multilingual and structured terminology of skills/competences, qualifications and occupations. By providing a tool for identifying, sorting, connecting and applying relevant terms, ESCO is expected to facilitate the dialogue between the labour market and the education/training sector. The structure of ESCO will consist of three different pillars covering occupations, skills/competences and qualifications.

Sectoral References Groups will be created to develop and revise the content of the ESCO occupations and skills/competences pillars and will contribute to the development of the qualification pillar. The work was launched in *five sectors among which the Textile and Clothing industry*. In this context EURATEX and COTANCE (Leather industry) were *nominated* by the European Commission to take an active part in the reference group on “Manufacturing of Textile, Apparel, Leather and other related products” [Textan] with the aim of drafting a module of detailed skills taxonomy which will reflect the current Skills/Qualifications and Occupations in the industry³.

² All information on: <http://europeanskillscouncil.t-c-l.eu/eng/>

³ More information on ESCO on: <http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=852>

4. European Skills Panorama

With the EU Skills Panorama, the EU Commission intends to create an online tool with the aim of increasing the information transparency on skills needs and occupation trends. The Commission would like to collect existing forecast and foresight exercises from Member States and international organisations, to analyse and present this information in a smart way which brings out added value at European level. In addition, a network of national regional anticipation bodies will be created to foster peer-learning and mutual exchanges in skills anticipation. This network will be associated with the development of the EU Skills Panorama, which in turn should support the discussions of the network. In this context EURATEX highlighted both the lack of information regarding the sectoral dimension and the need to develop such information to better tackle the issue of skills mismatches in such sensitive Industries as the Textile and Clothing one. The Commission expressed its interest to involve EURATEX as well as the existing EU TCL Skills Council and its network in the subsequent phases of this project⁴.

5. EU Business Forum on Education and Skills

The EU Commission (DG Education and culture – EAC) launched in 2012 the idea of funding “Sector Skill Alliances” whose aim is of improving and fostering cooperation between: the world of education and training (VET providers); the sector-specific expertise (including social partners, sectoral federations, Chambers etc.); and the bodies involved in education and training systems (public or private bodies or authorities). Drawing on evidence of skills needs and trends, the Alliances would work to design and deliver joint curricula and methods which provide learners with the skills required by the labour market. EURATEX was invited to present the EU joint project on the EU TCL skills council⁵.



6. Restructuring and Anticipation of change

In line with the 9 recommendations adopted by EURATEX and IndustriALL in March 2007 on best practices for anticipation of changes, EURATEX followed two initiatives of major importance to avoid any attack on the autonomy of the social partners in negotiating at local/private level and to avoid any additional burden on SMEs from the Sector in this particularly critical economic environment.

The first is the *Green paper* on “Restructuring and anticipation of change: what lessons from recent experience?” which aims at identifying successful practices and policies in the field of restructuring and adaptation to change in order to promote employment, growth and competitiveness as part of the Europe 2020 strategy. The Green Paper intends to contribute to improve synergies between all relevant actors in addressing challenges related to restructuring and adaptation to change while taking into account the important work carried out in recent years by the European Commission, the social partners, Member States, regions and many other stakeholders. The Commission plans to build upon the outcome of this consultation to consider new ways to better disseminate and effectively implement good practices, for dealing with both immediate concerns related to the economic crisis and long-term competitiveness objectives as identified in the industrial policy flagship initiative. The results of this Green Paper consultation will feed the revived flexicurity agenda.



The second initiative took place at European Parliament level where some *MEPs* sponsored a *resolution* in order to ask the European Commission to present a *directive on corporate restructuring*, as laid down in the Treaty on the Functioning of the European Union⁶.

⁴ <http://euskills Panorama.ec.europa.eu/>

⁵ http://ec.europa.eu/education/vocational-education/forum_en.htm

⁶ “Right of initiative of the EP”: The Commission may nevertheless refuse to present the legislative proposal sought, provided it informs the EU Parliament of the reasons for its refusal.

The resolution adopted In January 2013 presented an outline for a directive that would include various measures to promote anticipation and preparation and socially responsible management of restructuring. Such framework refers to wide-ranging recommendations covering: skills, competences, social dialogue, phase-in employment measures, etc. MEPs called applying this framework to major restructurings of enterprises and groups of enterprises (private and public) that affect a large number of workers or a large percentage of personnel over a limited period of time.

Finally MEPs (a) asked Commission to study whether there was a need to take steps at European level to supervise the activities of companies in order to prevent abuse of any kind and (b) proposed to exclude companies not complying with EU legislation from the benefit of public aid from national budgets for a period of five years following a judicial decision recognising the breach. The European Commission DG Employment and Social Affairs seemed receptive to MEPs' proposals.



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7. EU Employment Package & Non-sectoral Social Dialogue: Working Time Negotiations

Though of horizontal nature, EU Commission is growingly proposing measures that might have an important impact on the future of the Textile and Clothing industry competitiveness, hence EURATEX focused last year on the *Employment package* (April 2012), EURATEX analysed the potential EU actions to be pursued in this arena. In particular, this horizontal package regroups 5 pillars of importance:

- **Recommendations to Members States** to strengthen their national employment policies: (1) right conditions for job creations (subsidies creating new jobs, support self-employment, tax shift from labour); (2) supporting green economy and strengthening green skills; (3) health workforce planning and forecasting and (4) increase highly qualified ICT labour and promotion of digital skills across the workforce.
- **Keys areas for reforms at EU level:** (1) stimulating internal flexibility to reduce job insecurity and fiscal costs (i.e.: German Kurzarbeit Scheme); (2) establishing decent and sustainable wages (low-wage traps); (3) prevent excessive use of non-standard contract to deliver opportunities for the young and developing life-long learning; and (4) call for higher investments in skills, addressing skill mismatches and better anticipate skill needs.
- **Creation of a genuine EU labour Market:** (1) improve labour mobility (pensions, tax treatments of cross-border workers, rights and obligations); (2) develop concrete proposals i.e. for exporting unemployment benefits for job seekers in another country (6 months); lift restrictions on labour market access (i.e. Bulgaria, Romania; to public services); (3) improve matching jobs/job seekers (transform EURES portal into an EU placement and recruitment tool).
- **Reinforcement of the coordination** and monitoring of employment policies to be in line with eco governance (scoreboard for national Job Plans; reinforce EU and national partners' involvement in employment policy: i.e monitoring wages developments).
- **Use of Financial instruments** (ESF) for national reforms to be promoted and developed by national partners.

Intellectual Property Rights

Stéphanie LE BERRE

1. Customs legislation against counterfeiting goods at EU level (2014)

In the context of the EU-wide IPR strategy, throughout 2012 the objective of EURATEX was to convince the EU authorities (a) to adopt new rules to strengthen the enforcement of IPR by customs while (b) ensuring that the rights of the parties concerned are respected. Moreover, EURATEX stressed the SMEs concerns regarding (1) the need to extend the Regulation to an enlarged assembly of goods and IP rights (such as trade names and utility models); (2) the need to establish a new procedure enabling rights holders to apply for the destruction of small consignments of allegedly counterfeit or pirated goods, without having to undergo formal legal proceedings (reduction of administrative burden and costs due to increasing internet shopping); (3) the need for better use of information (such as clarification on the rights holders' use of information concerning the consignor and consignee provided by the reversal of the burden of proof, as the application of the IP laws of the Member State where the goods are found or where an application is made). EURATEX ensured that all these points were included in the EU Commission proposal for a new regulation on *Customs enforcement of Intellectual Property Rights (IPR)*, to the European Parliament and Council. But two other issues of importance for the textile and clothing companies were not included in the proposed legislation.

Firstly, the need to clarify the control of suspected goods in transit, which in the opinion of the Industry should be have been included in this new EC Regulation. Although authorities excluded introducing the strict checking of goods in transit in the customs regulation, the future trade mark legislation (2013?) should provide a more appropriate vehicle for answering industry expectations on transit. Secondly, the fact that the cost burden of the storage and destruction of goods remains with the rights holder in the first instance is still a concern to be solved by the Industry at EU or national level.

Excluding these last two points, the new Regulation answers expectations from the Industry and amongst other things clarifies that rights holders may use information concerning the consignor and consignee provided by Customs, not just to initiate civil infringement proceedings or to obtain consent for destruction, but also as a basis for criminal proceedings and to seek compensation.

The new Regulation is still subject to a plenary vote by the European Parliament and the agreement of the European Council. If endorsed, the new Regulation will take direct effect in all Member States as of 1st January 2014.



2. ACTA- The unfortunately “aborted” Anti-Counterfeiting Trade Agreement

The Anti-counterfeiting Trade Agreement (ACTA) aims at establishing an international legal framework for targeting counterfeited goods and creating a new governing body outside existing international forums¹. While several involved coun-

¹ World Trade Organisation, World Intellectual Property Organisation or United Nations

We represent thousands of companies and workers
in Europe's innovative, manufacturing and creative sectors,
which employ over 120 million people

ACEA • ACG • ACID • ACT • ADEB • AEDEM • EOM • AIE • AIM • AKKA/LAA • ALCS • ALLI-
ANCE AGAINST IP THEFT • ANDEMA • APM • AFP • AGPP • AESVI • BAMP • BASCAP • BBB •
BEA • BIEM • BIU • BPI • BREIN • BBA • BSA • BVA • BVMI • BVV • CAMERA NAZIONALE DELLA
MODA ITALIANA • CELC • CEPIC • CEPI TV • CEPS • CIE • CIPR • CISAC • CMBA • COSMETICS
EUROPE • DACS • DANSA SKUESPILLERFORBUND • DMV • EACA • ECPA • ECTA • EFPIA • EFÜ
• EIBF • EGEDA • ENPA • EPC • EURATEX • EUROCHAMBRES • EUROCINEMA • EUROCORD •
EUROCOPYA • EUROCOTON • FAMA • FDA • FEM • FEP-FEE • FER • FESI • FFE • FGEE • FIA •
FIAPP • FIAD • FIGMA • FIMI • FMPA • FOILSIÜ ÉIREANN/ PUBLISHING IRELAND • FORLAEG-
FORENINGEN • GEMA • GESAC • GESAMTVERBAND TEXTIL + MODE • HVB • ICC DEUTSCH-
LAND • ICC FRANCE • ICC SWEDEN • ICMF • IFPI • ILEC • IMPALA • INDICAM • INTA • IRMA •
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MPA • MPA UK • MUSIKKITUOTTAJAT • MVKE • NUV • NVPI • OPEM • PIK • PMI • PRODUZEN-
TENALLIANZ • PROMUSICAE • SACG • SCHN • SMFF • SNE • SNEP • SROC • SW REPROPOL •
TIE • TABD • TUOTOS • UFIM • UIT • UK MUSIC • UK PUBLISHERS ASSOCIATION • UNIP MEI •
UNIC • UNIFAB • UNIVIDEO • VdF • VG Bild-Kunst • VKE • VPRT • VSC • VUV • ZPAV...

Consequently to the entry into force of the Lisbon Treaty such agreement needs also the ratification from the European Parliament. The adoption of the EPP Resolution on 24 November 2011 in support of ACTA let the Industry think that no real concern would occur regarding this dossier. Unfortunately, because of some American precedents arising in the IPR legislation (SOPA and PIPA³) and because ACTA impacts on very sensitive IPR right linked to access to medicine and to digital contents (software, music and videos), the debate became more political ideological and even emotional at EU Parliament level opening the “route” to an EU “legislation disaster” in the eyes of the industry.

During this Manichean debate, EURATEX faced difficulties in reminding MEPs of the specific concerns of the EU Textile and Clothing SMEs, suffering from trademark and design infringements from companies mainly based in non-EU countries. EURATEX concentrated its efforts in trying to convince MEPs of the benefit of ACTA as being a cornerstone in the fight against counterfeiting and piracy in order to protect the creative and knowledge-based industries in the EU and beyond. Contrary to what its opponents claimed, EURATEX reaffirmed that ACTA would not curtail fundamental rights, would not lead to Internet censorship, would not endanger the health of millions and would not criminalise file-sharing.

EURATEX deplores such decision and express its wish to see the EU Institutions to continue to play their role in protecting the economic and commercial interests of EU companies as well as in protecting health and safety of EU consumers in the near future, and will maintain its efforts to persuade MEPs and national governments to adopt more coherent and integrated strategies against counterfeiters, especially from third countries.

2 Australia, Canada, Japan, Mexico, Morocco, New Zealand, Singapore, South Korea and the
United States of America

3 [http://en.wikipedia.org/wiki/List_of_US_Congresspersons_who_support_or_oppose_SOPA/](http://en.wikipedia.org/wiki/List_of_US_Congresspersons_who_support_or_oppose_SOPA/PIPA)
PIPA

3. The European Observatory on Counterfeiting and Piracy

In June 2012, Regulation 386/2012, entrusted OHIM – (Office for the Harmonisation in the internal market based in Alicante and dealing



with Community trademarks and designs) the European Observatory on Counterfeiting & Piracy. This gives OHIM the responsibility for a wide range of tasks relating to research, training, communication, development of advanced IT support tools and enforcement of all types of IP rights.

EURATEX among other EU industry representatives was chosen as *member of the EU Observatory* and approved the content of the 2012/2013 work programme as it responded to the main requests expressed by the Industry during the public consultation of DG Internal Market several years ago.

Moreover, Private sector members, including *EURATEX*, called for the establishment within the Observatory of a professional and technical group of legal practitioners to horizontally assess intellectual property rights legal framework. *EURATEX* was nominated *member* in this specific *group* that drafted several documents to the attention of companies and their legal representatives on the issue of damages linked to IPR infringements, the question of corrective measures in IPR, the evidence and right of information, the question of injunctions, a comparative work on cross border measures in EU, and a study on border risk management. All these studies are available on the EU Commission website⁴.

4. Customs Controls and IPR initiatives towards China

Besides the ACTA discussions, *EURATEX* followed with great attention the developments of customs legislation at international and EU level with the aim to help SMEs and companies to better tackle IPR issues.

China is topical in this regard as during the last three years the enhancement of the customs cooperation with this country has been a Commission priority in order to move forward in the fight against counterfeiting. Unfortunately China continues to be the main source of counterfeited and pirated goods to the EU and it is suspected that a large portion of Chinese exports, sent to Asia, is re-exported to Europe. The EU has still an interest in promoting good practices and exchanging information as it can result in less counterfeit goods leaving China. One possibility proposed by *EURATEX* to the EU Commission was the setting-up of an Anti-Counterfeiting Workshop of customs experts on Textile and Clothing based on the model of the one organised by DG TAXUD in September 2009⁵. But other opportunities were offered to *EURATEX*:

- **IPR Dialogue EU-China:** *EURATEX* took part in the IP dialogue between EU and Chinese stakeholders. This was the occasion to raise important concerns from the Textile and Clothing companies who faced barriers in defending their own IP rights in China, i.e. the bad faith of Chinese companies or barriers due to apparently discriminatory practical administrative burdens on foreign companies. This has led to the informal proposal from DG Trade to organise in future a dedicated meeting between EU and Chinese stakeholders from the Fashion Industry.
- **EU IPR helpdesk to cooperate with EURATEX:** the industry and the IPR SME Helpdesk agreed to strengthen their collaboration by disseminating more widely the results and services provided by the helpdesk. The renewed *EURATEX* website will be the instrument proposing such business tools, information and new initiatives.

⁴ http://ec.europa.eu/internal_market/iprenforcement/observatory/

⁵ http://ec.europa.eu/taxation_customs/resources/documents/common/whats_new/joint_report_gams_anti_counterfeiting_workshop_en.pdf

• **IPR China helpdesk to better services the EU Textile and Clothing companies:**

EURATEX and IPR China Helpdesk discussed future common initiatives in order to raise visibility of the initiatives and services provided by the Helpdesk that will in future be integrated into the EU SME Centre. It is possible that in 2013 EURATEX organises a first sector specific seminar (Brussels) with the support of the EU SME Centre in order to raise the main concerns of Textile and Clothing companies in China as far as IPR and non-tariff barriers are concerned.

5. Comments on the 2011 EU customs statistics on counterfeiting traffic⁶

According to the “2011 Annual Report on Customs Actions to enforce IPR”, once more the *Textile and Clothing* products remained in the top three product families that generates the highest number of customs procedures in 2011: 19,6% after cigarettes and “other products. Instead, the situation slightly improved for the articles seized (5 million in 2011 against 7,7 million in 2010). Unfortunately this decreasing importance (4% instead of 7% in 2010) is linked to the inaccurate definition of our industry products. *The widening of the definition provides on our view a better assessment of the situation faced* and EURATEX will request such correction. All together textiles related products represented 15,796 cases and almost 7.6 million articles seized, for a value of 174.5 mil. Euros in 2011!

Products seized (enlarged definition)	Cases	Articles	Total value (€)
3a clothing (ready to wear)	12,708	4,036,781	123,540,677
3b clothing accessories (belts, ties, shawls, caps, gloves, etc)	2,391	787,457	41,075,332
12e labels, tags, stickers	431	2,515,950	2,130,749
12f textiles (towels, linens, carpets, mattresses, etc.)	266	251,376	7,833,349
TOTAL for 2011	15,796	7,591,564	174,580,107

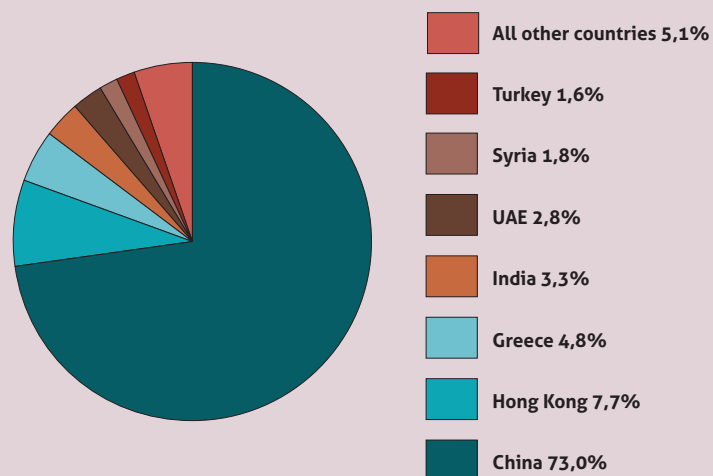
Moreover, Member States customs administrations submitted details on the *domestic retail value (DRV)* of the seized goods. DRV is the price at which the goods would have been sold at retail in the internal market of the Member State, had they been genuine. Based upon this, *Clothing and Textile* is in the top 3 category with a DRV representing more than 23% (!) of the total value seized. Of course these figures do not measure the impact on the EU's economy, nor the damage caused to rights holders due to this illegal trade. Unsurprisingly the main countries of origin or provenance of counterfeited textile and clothing (and accessories) goods is *China* with 82% (76% in 2010 and 47% in 2005), followed by *Turkey* with 8%.

Country of provenance (%)	China	Taiwan	Turkey	Singapore	Hong Kong	Pakistan
3a clothing (ready to wear)	81	-	6	3	-	-
3b clothing accessories (belts, ties, shawls, caps, gloves, etc)	86	6	-	-	-	-
12e labels, tags, stickers	65,8	-	11	-	10,05	-
12f textiles (towels, linens, carpets, mattresses, etc.)	93,8	-	-	-	1,75	1
TOTAL for 2011	82	6	8	3	6	1

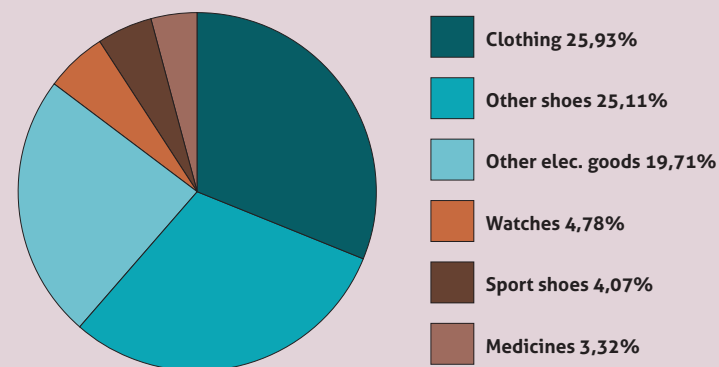
Finally, while the detention of *postal traffic* increased compared to 2010, we also note that the Textile and Clothing share is increasing dramatically, representing in 2011, 25.91% of all the counterfeit customs cases via this type of transport (3% of the articles seized by postal traffic), originating mainly from China (65%).

⁶ source: Report on EU customs enforcement of intellectual property rights at EU borders

Countries of origin of the seized products



Number of cases in % in postal traffic



EU customs statistics on counterfeiting traffic – general comments

- The EU Customs detained almost 115 million products suspected of IPR (103 million in 2010);
- The value of intercepted goods represented nearly €1.3 billion (€1.1 billion in 2010);
- The Textile and Clothing (4%) continued to be in the top four of the articles stopped by customs after medicines (24%), packing material (21%) and cigarettes (18%);
- 28.6% of the total amount of detained products for daily use and that could be potentially dangerous to the health and safety of consumers (14.5% in 2010);
- The number of detained postal packages increased with 36% of the detentions concerning medicines;
- China continued to be the main source of all IPR infringing articles (73%);
- Around 90% of all detained products were either destroyed or a court case was initiated to determine the infringement.

European Research and Innovation Policies

Lutz WALTER & Mauro SCALIA

In mid-2012 the last round of calls from the 7th EU Research Framework Programme (FP7) was launched, while preparations for the follow-up Research and Innovation Framework Programme HORIZON 2020 for 2014-20 progressed further.

The Technology Platform via its TEPPIES initiative again supported the development of textile-related EU research project and facilitated the setup of good European consortia involving industry and research organisations. Two project brokerage events were organised in September with a total of almost 100 participants. In the last quarter of 2012 and during the first weeks of 2013 many resulting project proposals were submitted to the European Commission and despite tough competition, some new projects will certainly result. In the transition towards HORIZON 2020 very few new funding opportunities will exist in 2013.

After the European Commission presented its proposal for the content, budget and participation rules of HORIZON 2020 in late 2011, the project was extensively debated in the European Parliament, the Council and by other political stakeholders throughout 2012. Due to the enlargement of the programme to also include innovation-related activities and especially due to the creation of a long list of special entities such as Public Private Partnerships (PPP), Joint Technology Initiatives (JTI) and others which will all be fully or partially integrated in HORIZON 2020 and draw from its budget, the political progress has been of a complexity unseen in previous framework programme preparations. The extremely difficult budget negotiations, with the Commission offering some € 80 billion for the 7-year period, the European Parliament requesting more and the Member States arguing for a significantly lower amount, are still unresolved as of today. A final budget approaching € 70 billion seems to be the most realistic scenario, which will likely lead to not much more than stagnation in budgetary terms

for the textile-relevant parts of HORIZON 2020, compared to FP7. But then there is at least still some hope that the Commission will succeed in pushing through with some of the administrative simplification measures that should make participation, especially for SMEs, more attractive and manageable.



1. The European Technology Platform

2012 was again a very active year for the Technology Platform with the organisation of several successful events, such as the 7th annual public conference in March and the textile resource efficiency conference in November. The most significant new activity launched by the platform during 2012 was undoubtedly the *Textile Flagships for Europe Initiative*.



In mid-2012 the Governing Council gave the green light to launch the following 7 Textile Flagship for Europe (TFE) initiatives:

- TFE1: Sustainable textile raw materials - alternative natural fibres, bio-polymers & recycling
- TFE2: From wet to dry - towards more flexible, sustainable and energy-efficient textile processing technologies
- TFE3: Efficient manufacturing of textile-based 3D shaped materials and components
- TFE4: Multifunctional textile materials for energy-efficient, safe construction and new architectural solutions
- TFE5: Innovative technical textiles for various marine applications and coastal protection
- TFE6: Innovative textile solutions for protection and efficiency in agriculture & landscaping
- TFE7: Integrated digital textile & clothing creation and manufacture near the point-of-sale or use

Following a call for experts, all these 7 initiatives organised their first and in some cases also second expert group meeting to define the scope of each Flagship and to agree on follow-up work. This process was intensively continued at the beginning of 2013 and should lead to some concrete action plans later in the year, in time for the start of HORIZON 2020.

Further ongoing activities of the Technology Platform included the



European Textile Technology Marketplace (ETTMa) which so far has completed 3 rounds of calls with a total of 100 technology offers from researchers and 30 industry technology searches, which in turn triggered another almost 50 responses from researchers and technology developers proposing potential solutions for these industry searches.

Two meetings of the ETP Governing Council took place during 2012 which apart from the ongoing activities dedicated much attention to the preparation of the launch of the European Textile Technology Platform as an independent legal entity. After 8 years of operation as a non-formalised network, hosted and sustained essentially by Euratex, it became clear that the growing expert community and increase of activities both vis-à-vis the European Commission and within the community would require an evolution of the organisational structure. Therefore preparations were made to set up the Textile ETP as an international non-profit organisation to promote collaborative textile-related research and innovation at EU level. In this new setup the textile research community would also play a stronger role, apart from the industry which remains the main driving force. As a consequence Euratex, Textranet and Autex joined forces as founder members of the new association, which was legally established in the early months of 2013. The new ETP will pursue the same principal objectives of the previous network, but will be more actively seeking involvement of companies, research and technology organisations interested in or related to the textile and clothing sector as associated or corresponding members. The new structure would also allow the Technology Platform to become involved in EU-funded projects such as those related to networking and joint research priority development between different European Technology Platforms.



2. Projects:

Running & recently completed projects

TEX-WEB

This project to support textile and clothing industry associations in the Western Balkan countries through capacity building and knowledge transfer was successfully completed in November 2012. During the year 2012 several national events took place in countries such as Bulgaria, Croatia and Serbia in addition to a business cooperation seminar in conjunction with the Euratex General Assembly in June 2012.

More information about the project is available at: www.tex-web.eu



PROsumer.NET

This project led by Euratex brings together five European Technology Platforms (textiles and clothing sporting goods, footwear, wood & paper-based industries, machinery) from the consumer goods sectors with an objective of developing a joint research roadmap for these industries and related EU research, innovation & education policy recommendations. During 2012 the future scenario, research roadmap and innovation policy work progressed significantly and many workshops and events were organised in Belgium, Germany, Italy and Spain involving hundreds of industry, technology and policy experts. The project will conclude its work with the delivery of the final research roadmap and related policy recommendations presented at a high-level final conference in Brussels in May 2012.

All information about project activities and results are available at www.prosumer-net.eu



MatVal

This new project, started in October 2012, brings together several European Technology Platforms and other European net-



works in the field of advanced materials. The objective is similar to PROsumer.NET, the identification of common research and innovations challenges and priorities across the different sectors dealing with advanced materials and advising EU policy makers to define better support policies and programmes. Advanced materials are one of the 6 Key Enabling Technologies singled out for the HORIZON 2020 Programme, while the involvement of the textile sector in the Alliance4Materials, the network supported by MatVal, will help us to bring in specific textile priorities. Project information is available at www.alliance4materials.eu

Smart@Fire

Smart@fire is a groundbreaking project to encourage companies and researchers and provide them with financial means to develop innovative ICT solutions that better protect firefighters and help prevent accidents, and to integrate them into Smart Personal Protective Equipment (PPE). For this, Smart@fire employs a unique and novel method of innovative procurement known as pre-commercial procurement (PCP), developed by the Belgian Innovation Agency (IWT), which leads the Smart@Fire project. Euratex's main role is the dissemination of the project results to industry and to make sure textile suppliers and protective clothing manufacturers and service providers engage with fire service procurement agencies from 5 countries (BE, DE, FR, NL, UK) involved in this project.



SESEC

Based on industry-driven ideas, EURATEX coordinated the build-up of a qualified international consortium and the launch of a project designed to support *Energy Efficiency* in the *European clothing* industry. Co-funded by the European Union through the IEE programme, SESEC develops and offers Energy Efficiency tools, information and training for companies to assess their energy consumption and to implement corrective measures taking into account cost-effectiveness. SESEC started in March 2012 and is expected to be completed in 30 months. By



2012 a complete analysis of energy use in clothing production had been performed and 27 energy audits free of charges for the benefits of clothing companies had been launched.

Periodic information on progress and opportunities for cooperation with organisations which are not members of the consortium, notably EURATEX Members, is released on the EURATEX website or can be discussed with the project coordinator.

eBIZ

eBIZ is the EURATEX-led initiative to boost the digital exchange of data (the so-called *e-Business*) between companies of the fashion, footwear, textile and clothing industries.

In January 2012 a joint press release by EURATEX and CEN (the European committee for Standardisation) announced the start of the *CEN eBIZ Workshop*: a new phase of eBIZ to take its results one step further towards a single electronic language widely adopted and up to the current requirements of the Fashion industry.



The CEN eBIZ Workshop lasts 18 months and provides the opportunity for fashion companies, IT solutions providers and other stakeholder supporting the fashion business to work together to identify gaps and solutions for wider e-Business adoption. By the end of year, 54 members from 38 organisations across Europe had registered to the CEN eBIZ Workshop which made progress in all its targets thanks to the commitment of its governance organization which is chaired by the EURATEX Director General Mr. Francesco Marchi. The intermediate results were approved at the plenary meeting, Madrid 29 November, and have been included in the new version of the website www.ebiz-tcf.eu which encompasses all results and the next actions for 2013.



NANO futures

Accomplished in October 2012, the NANOfuture project gathered a full supply-chain community and developed a roadmap to tackle requirements and deficiencies

to effectively bring nanotechnologies into the market. The roadmap was the outcome of extensive consultations between different European Technology Platforms, experts and other stakeholders. The website provides updated information even after the end of the project.

As project partner, the EURATEX role in Nanofuture focused on finding out requirements and expanding consultation towards the textile community. In the final roadmap EURATEX has promoted topics of interest to the textile and clothing industry to facilitate the use of promising nanotechnologies in the sector. The Roadmap will also be used by the European Commission Services to extract input for calls for proposals to be financed under the new Horizon 2020 programme



Building up

The BUILDING UP project has developed a roadmap for energy efficiency in construction based on extensive consultations with different European Technology Platforms, experts and other stakeholders.

Promoted after the project conclusion also with an ad-hoc video, the Building up Roadmap shall be used by the European Commission to identify topics for calls-for-proposals including those of Horizon 2020; in addition the Roadmap's contents have been included in a related, larger roadmap initiative, the E2BA.

EURATEX participation in the project has assured due consideration of properties and solutions offered by textile-based materials to promote opportunities both to use and to research such materials in the near future.



ARTISAN

Participated by EURATEX, ARTISAN is a Research & Development project co-financed by the European Commission's 7 Framework Programme and aimed at promoting reduction of energy consumption as well as CO emission in the Textile Industry.

The ARTISAN consortium is developing an ICT tool which collects, monitors and



manages energy-consumption data; decision-making models to plan and optimize energy consumption as well as CO₂.

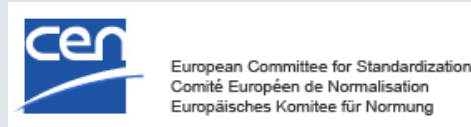
FASHION-ABLE

Participated in by EURATEX, the FASHION-ABLE project aims at providing European fashion SMEs active in customisation of goods with technologies enabling flexible, eco-efficient production. Main target is wearable products addressing complex personal needs of growing market niches of consumers and which today are not satisfied by mass-produced goods in terms of health support and performance.



3. Standards

International Standards are formal documents established by consensus in bodies such as CEN (European) or ISO (international) and which set uniform technical criteria for products requirements, test methods, processes and practices and others. Adoption of standards is normally not a legal requirement but a voluntary choice of the industry or it is required by the market. However, in specific fields, such as Personal Protective Equipment, compliance with standards is legally mandatory and standard developments greatly impact on the industry and the markets.



As observatory member of the CEN technical committee relevant for textiles (TC248) EURATEX *monitored* throughout the year the activities taking place in the 18 working groups which cover very different topics, such as "Size system of clothing", "Use of the term organic and other environmental marketing terms" or "Smart Textiles". In particular, EURATEX enabled its Members to know about progresses in the working groups, to liaise with person in charge and to define *common position* whenever appropriate.

A common position was presented in the case of standardization work concerning requirements and test methods for textiles in the healthcare system (e.g. hospital linen). Based on concerns expressed by an EURATEX's Member and related to unnecessary administrative burdens and risk of cost increase for companies, EURATEX made enquiries about all its Members opinions and addressed the CEN Working group while respecting all its Members positions.

Along with following the core CEN-standardization work, other *standard-related activities* have been addressed by EURATEX and included: support to produce a study managed by the European Commission DG Enterprise and related to the impact of different standards or technical barriers-to-trade for companies exporting to Russia and Brazil; the launch of the CEN eBIZ Workshop (see Projects area in this report), the launch of SUSTA SMART project to support smart textiles through standardization on performances and requirements; information on a new Prosafe initiative which coordinates work of several EU national market surveillance authorities inspecting safety of two product groups: Children fancy dress and visibility vests.

All items were presented and discussed at two Technical Barrier to Trade (TBT) *meetings* held in June and October with all related information made available to EURATEX members.



Sponsors

Committed to its customers, employees and progress – milestones in the corporate history of Jakob Müller AG

125 years of ribbon industry and narrow fabric fascination. How Jakob Müller AG has advanced from a handicrafts company to the most important supplier in its branch by means of innovation, constant development and market proximity.

1887 Jakob Müller-Schneider, a trained loom carpenter, opens his own workshop in Frick. Initially he carries out repair work, but soon begins to build his own looms. Around 1900, the first shedding machines appear with punch card control according to the Jacquard principle.

1912 Jakob Müller-Kistler takes over the parental company. His period at the helm sees the transition from wood to metal machinery design, the development of the first narrow fabric looms for zipper tapes, but also difficult phases of global economic recession and warfare.

1946 Jakob Müller-Frauenfelder joins the family firm, which has a workforce of eight. The young mechanical engineer launches a purposeful expansion of the company.

1953 Market introduction of shuttleless machines (ROTOR system).

1956 Jakob Müller AG develops ribbon technology for the industrial production of hook and loop fasteners.

1963 The newly developed, automatic narrow fabric needle loom is presented and evaluated by the industry as an epochal innovation.

1974 Presentation of the NAJ-M1B narrow fabric needle loom, which is specially designed for label production.

1977 The creation of an international presence commences with the opening of a sales and service centre in Germany.

1982 The new Jakob Müller of America, Inc. sales and service centre becomes the company's first location outside Europe.

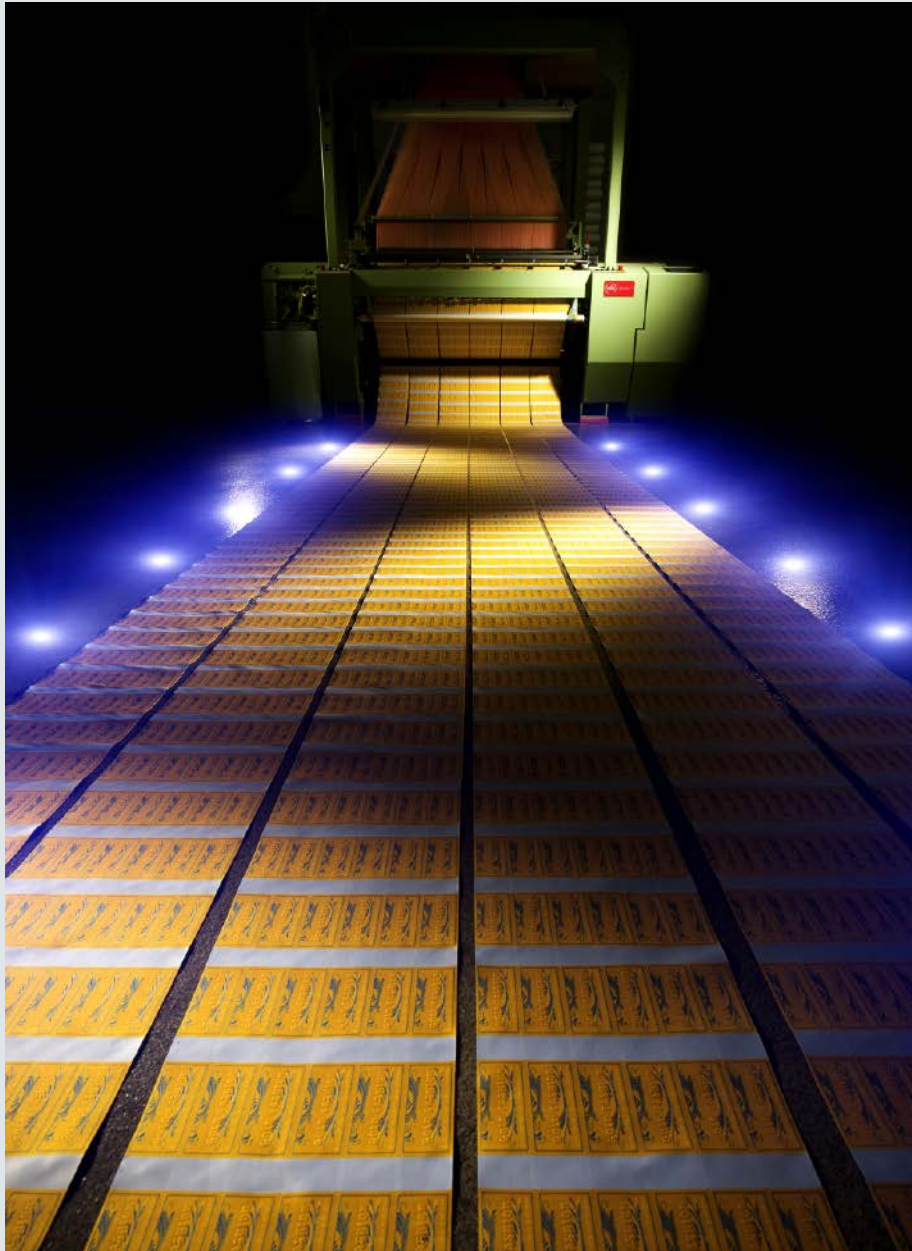
1987 The first rapier loom for labels (MÜGRIP MBJ1) comes onto the market.

1992 Christian Kuoni assumes overall management of the Müller Group from Jakob Müller-Frauenfelder.

1994 Jakob Müller (India) Private Ltd. in Bangalore becomes the first Müller representation in the Asian region. From 2000, Varitex machines are manufactured in Bangalore.

1997 Jakob Müller AG further consolidates its capacity in Asia with a new plant in Suzhou, China.





2001 The company combines all its basic and further training activities for the branch in the newly formed Jakob Müller Institute of Narrow Fabrics. The Institute offers an initial invitation to a Narrow Fabrics Conference.

2007 The new Möhlin production centre undertakes the production of key components for many Jakob Müller AG machines.

2009 Ropes are produced for the first time on needle looms using the new Müller NG3M and NC2M machines.

2011 At the ITMA in Barcelona, Jakob Müller presents a complete range of new developments such as the MÜGRIP MBJ6, the NH253 fully electronic needle loom and the MÜPRINT MDP2 E inkjet printing machine for narrow fabrics.

2012 Martin Buyle, so far a member of the executive management, becomes the new CEO of Jakob Müller AG in Frick and from 2013 will assume overall responsibility for the Jakob Müller Group. Christian Kuoni remains president of the Advisory Board.

2012 On June 8, the new administrative and production centre in Suzhou, China becomes operational.

2012 2012 On October 8, Jakob Müller Group and Comez Gestioni S.r.l. start to combine business activities.

GINETEX

GINETEX, the International Association for Textile Care Labelling, was first founded in Paris 1963, following several International Symposiums for Textile Care Labelling at the end of the 1950's. **GINETEX** has a large number of national organisations as members who represents the textile and retailing industries and other interested parties concerned with textile care. **GINETEX** is a non-profit organisation.

GINETEX has devised an internationally applicable care labelling system for textiles based on symbols. The pictograms used are registered trademarks and are the property of **GINETEX**. The care labelling system gives consumers and textile companies the correct information on the care treatment of textile products. The processes indicated by the symbols will avoid any irreversible damage to the product. The trademark is an excellent regulator of worldwide uniformity and identification. **GINETEX** promotes therefore a voluntary scheme in which dynamics of technical and environmental developments plus innovations can be adapted in due time.

GINETEX defines and promotes the system of care labelling symbols and coordinates its technical background on an international level. The essential technical elements for its implementation and the definition of the care labelling code are contained in technical regulations. The care labelling system is maintained to ensure that any new technical and ecological developments together with changes in consumer practices are taken into account. www.ginetex.net

Both consumers and companies are aware of the meaning of the symbols (they are easy to understand and to apply, speak for themselves and are not dependent of any particular language).

Thanks to these language independent care labelling symbols and to the system created by **GINETEX** who supported the costs involved in its setting up and enforcement, the market is functioning quite smoothly across Europe for almost 50 years.

GINETEX intellectual property right of the five main symbols is stated in the newly issued ISO3758:2012 standard "Care labelling with the use of symbols" based on GINETEX system. The agreement between ISO and **GINETEX** acknowledging



THE WORLDWIDE CARE LABELLING SYSTEM

GINETEX's ownership of the trademarks has been updated and validated and is published on the site of the ISO at: <http://standards.iso.org/iso/3758>.

GINETEX welcomes the creation of national committees in countries where no such organisation exists at the moment, in Europe and rest of the world.

THE POSSIBILITIES TO JOIN GINETEX

AS MEMBER (PARTICIPATING OR ASSOCIATED)

- be an independent **National Committee** for Textile Care Labelling
- have a valid **legal structure** according to the law of the respective country
- be represented by branches of the **textile chain**
- have authority and capacity to enforce **GINETEX** decisions
- recognize **GINETEX**'s ownership of the trademarks

AS OBSERVER MEMBER

- be a **Private Organization** with a special interest in care labelling

AS GLOBAL USER

- be a multinational **company**
- procure and sell articles international
- use the registered care labelling symbols on textile products

[illegible]

The President

Mr. Alberto Paccanelli

President of EURATEX (2011-2014)

The President, an active industrialist, is elected by the General Assembly for a two-year term, renewable once. He represents the association in all official circumstances and oversees the proper management of the association.



The Director-General

Francesco MARCHI

Director General of EURATEX

The Director General manages the Secretariat and is responsible for the implementation of policies approved by the Board to achieve the objectives of the association.



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NOTES



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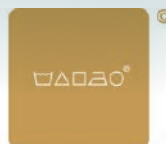
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