

# BUSINESS NEWSLINE

## Forging a Sustainable Future: Key Insights from the Joint ITMF & IAF Conference 2024



### CemAltan

Designation: **President, International Apparel Federation (IAF)**

Event: **ITMF & IAF Joint Conference 2024, Samarkand, Uzbekistan**

### Introduction

The ITMF & IAF Joint Conference 2024, hosted in the historic city of Samarkand, marks a landmark moment for the textile and apparel industries. For the first time, the International Apparel Federation (IAF) and the International Textile Manufacturers Federation (ITMF) have joined forces to address the pressing issues of sustainability, collaboration, and digitalization in the global supply chain. In his keynote address, Cem Altan, President of IAF, emphasized the importance of cooperation and the responsibility of manufacturers in driving meaningful, positive changes across the industry.

### The Need for Collaboration and Innovation

As the global textile and apparel industries face mounting challenges, collaboration has become more critical than ever. Cem Altan highlighted how supply chain partners must work together to tackle the urgent issues of decarbonization, overproduction, and

digitalization. The joint efforts of the IAF and ITMF, combined with local partnerships like Uztextileprom, provide a model for how the industry can leverage global alliances to enhance competitiveness and sustainability.

- Uzbekistan was chosen as the host for this historic conference because of its blend of tradition and innovation. The country has rapidly emerged as a key player in the global textile supply chain, making it an ideal backdrop for discussions on sustainability and growth.

### Decarbonization and Sustainability:

The Path Forward Cem Altan stressed the pivotal role that manufacturers play in the transition to a sustainable and decarbonized textile industry. The industry's most effective initiatives, such as decarbonization and transparency in operations, are largely dependent on manufacturers' investments and actions. Legislative pressures and evolving consumer preferences have accelerated the need for brands and retailers to adopt sustainable practices, with manufacturers at the forefront of this transformation.

- Decarbonization requires coordinated efforts across the supply chain. Manufacturers, supported by

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brands and governments, must collaborate to develop comprehensive sustainability plans that attract external investments and deliver real impact.

### Breaking Free from the Low-Price Trap

One of the key challenges outlined in Altan's speech was the low-price trap that continues to plague large parts of the apparel industry. Manufacturers are often caught in a cycle of low margins and high volumes, which drives inefficiencies and limits the ability to invest in innovation. By collaborating more closely with fabric suppliers and clients, manufacturers can break free from this cycle, offering higher-value products that command better prices and profitability.

- Digitalization offers a way out of this trap by improving flexibility, speeding up time to market, and enabling the creation of better products at lower costs. However, some brands have been slow to fully embrace digitalization, which calls for manufacturers to take the lead in driving these changes.

### Investing in Industry Transformation

The transformation of the global textile and apparel industries will require significant financial investment. While many companies are investing in inventory management and markdowns, there is still a pressing need for additional capital to drive the required sustainability and technological changes. Altan urged industry leaders to attract external funding from

investors, donors, and consumers by presenting a united front and showcasing the industry's commitment to sustainability.

- The financial burden of compliance with new regulations, such as sustainability and due diligence standards, must be shared across the value chain, including by end consumers. A fair distribution of costs will help ensure that sustainability efforts are successful and do not disproportionately impact any one segment of the industry.

### Conclusion

The joint conference between ITMF and IAF highlights the importance of collaboration, innovation, and sustainability in tackling the global challenges facing the textile and apparel industries. As one of the world's largest industries, textile and apparel manufacturers have a unique opportunity—and responsibility—to lead the transition toward a more sustainable future. By working together, sharing the financial burden, and embracing digitalization, the industry can secure a more resilient and profitable future.

Cem Altan concluded by expressing his gratitude to the leadership of ITMF, IAF, and the Uzbek hosts for organizing this crucial event. The textile industry stands at a pivotal moment, and through collective action, it can create lasting positive change for both businesses and the planet.

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## Aditya Birla Fashion and Retail Reports Strong Performance in Q1FY25 Despite Challenging Demand Environment

Aditya Birla Fashion and Retail Ltd. (ABFRL) posted a 7% year-on-year (YoY) revenue growth for Q1FY25, achieving ₹3,428 crore despite a tough demand environment. The company's key performance drivers include a 26% YoY growth in its demerged ABFRL businesses, with ethnic brands growing 2.6 times and TMRW's portfolio doubling.

Consolidated EBITDA for the quarter increased by 15% YoY to ₹406 crore, with an 80 basis point expansion in EBITDA margin to 11.8%. Established lifestyle brands saw a 50 bps margin improvement, while Pantaloons' EBITDA rose 43% YoY, reflecting operational excellence and better markdown management.

ABFRL continued to invest in its growth platforms, including TMRW and ethnic brands, while expanding its store network to 4,607 outlets across 11.9 million sq. ft. The company also reported over 13% growth in e-commerce, with TMRW's sales up 30% YoY.

Despite subdued consumer demand and a weak wedding season, ABFRL remains focused on navigating current headwinds by expanding its portfolio and driving long-term value creation in high-growth segments.