



In just a few days, ITMF will host its annual conference alongside IAF in Samarkand, Uzbekistan. The event will cover key topics shaping the textile and apparel industry today. Before that, be sure to check out this month's news, in-depth analysis, and partner articles featuring exciting insights on fiber quality, AI, and sustainability regulations.

You can also enjoy reading the second batch of articles on the GTIS27 with results from July 2024 (articles on business situation and expectations have been published in the July edition of this newsletter and in the GTIS publication).



Mr. Olivier Zieschank
 director, ITMF

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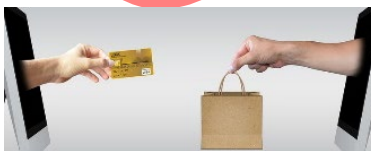
Order intake has slightly improved



Order intake improved slightly but the indicator remains negative. Orders are currently expected to increase but at a slow path due to demand still being low and costs rising on all fronts (energy, labour, logistics, or capital). Africa is the only region with a positive order intake.

[> read more \(members only\)](#)

Order backlog continues to fall



Order backlog in the textile value chain fell to 2.0 months in July 2024 from 2.1 months in May 2024. It has been following a downward trend in all regions on average. No segment show clear signs of improvement.

[> read more \(members only\)](#)

Capacity utilization rates at lowest point



The average capacity utilisation rate decreased to 68%, the lowest value recorded in this survey. Amongst regions, East and South Asia recorded a slightly positive trend since the beginning of 2024.

[> read more \(members only\)](#)

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Weak demand – by far biggest concern



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The main concern chosen by survey participants remained – unsurprisingly and once more – “Weak demand” (66%). Its relative importance has increased by 6 percentage points. Geopolitics also gained importance in July 2024 and is now the second biggest concern (40%).

[> read more \(members only\)](#)

Order cancellation remains low



3

Order cancellations are not happening as they did during the start of the COVID-pandemic, mostly because brands and retailers have reduced their orders to the bare minimum for almost two years.

[> read more \(members only\)](#)

Inventory levels are deemed average along the textile value chain



4

A vast majority of companies (57%) deemed their inventory levels as average. The indicator is rather consistent amongst regions, but the picture is different amongst segments where as much as 35% of home textile manufacturers report high inventory levels compared to dyers/finishers/printers (0%). Brands and retailers have reduced their inventories significantly during the last 18 months.

[> read more \(members only\)](#)

ITMF NEWS

ITMF & IAF Conference 2024: Just Days Away



In a few days the [ITMF & IAF Conferences 2024](#) will be held in Samarkand, Uzbekistan. More than 260 international and 70 national delegates have registered for this unique event that brings together members from ITMF and IAF for the very first time.

Industry leaders and experts from more than 35 countries from around the world convene and discuss the current business situation but also the way forward. Under the general theme “**Innovation, Cooperation & Regulation – Drivers of the Textile & Apparel Industry**” almost 40 speakers will share their perspectives in 9 different sessions.

In the Fiber Session experts will of course look at both natural and man-made fibres. In the Audit-Fatigue Session light will be shed on how SLCP can help the industry to reduce the number of duplicative social audits. The Uzbekistan Textile and Apparel Industry Session will provide insights about how the industry has changed and adapted in the past 8 years and what the future might hold for the “new kid on the block”. A session on sustainability-driven regulation concepts will focus on China, Europe Japan and the USA. A session about digitalisation will illustrate how digital tools and processes can help to reach sustainability goals. In a session about AI, experts will address the potential of this new technology. An important aspect in such a long supply chain as ours is collaboration, therefore one session will highlight how collaboration can help to overcome certain bottlenecks.

The conference also provides a platform to discover the **ITMF Start-up Award** Winners as well as the **ITMF Award** Winners in the categories “Sustainability & Innovation” and “International Collaboration”.

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ITMF & ITA webinar on AI's potential in textile production discussed upcoming regulations



On **August 27th**, 2024, the second webinar in ITMF's series on "AI in the Textile Value Chain" was held. Titled "**Regulation of AI - New Framework**", the event focused on the recently introduced EU AI-Act. The webinar featured expert insights into the AI-Act's broader implications, both within Europe and on the global stage.

The first session, led by [Mr. Kai Zenner](#), Head of Office and Digital Policy Adviser for MEP Axel Voss from the European People's Party Group in the European Parliament, provided a detailed exploration of the AI-Act's background, its expected impact, and its international relevance. Following this, [Mr. Dominik Rohrmus](#), representing Siemens AG and serving as CTO at Labs Network Industrie 4.0 e.V., delved into the practical implications of the AI-Act for the industry.

ITMF will hold the next webinar in this series later this month (date TBD). The event will explore the "**Opportunities and Risks of AI in the Textile Industry**," offering valuable insights for manufacturers looking to navigate the rapidly evolving landscape of artificial intelligence. The speakers will provide a comprehensive overview of how AI can be effectively integrated into textile operations, emphasizing the importance of quality data as a foundational element for successful AI deployment.

Find out more on the webinar series and watch past webinars on [ITMF's Virtual Forum](#)

Next webinar: **Opportunities and Risks of AI in the Textile Industry**

Save the date: **End of September, TBD**

PARTNER NEWS

APTEXPO 2024 will be held in Singapore on November 13-15



The Asia-Pacific region is a cornerstone of global textile and garment manufacturing. As the industry navigates the rapidly evolving landscape, the inaugural Asia-Pacific Textile and Apparel Supply Chain Expo & Summit (APTEXPO 2024) is poised to be a catalyst to help the stakeholders thrive and overcome the challenges.

Themed, "Re-engineering towards a Resilient, Adaptive and Sustainable Supply Chain", the event is sponsored by the ASEAN Federation of Textile Industries (AFTEX) and the China National Textile and Apparel Council (CNTAC), and co-organised by MP Singapore Pte Ltd and The Sub-Council of Textile Industry, CCPIT (CCPIT TEX). The Singapore Fashion Council (SFC) will also be supporting the event as the host association in Singapore.

[> read more](#)

SME Trade Academy's new AI-powered course is open for registration



The SME Trade Academy (SMETA) is the online learning platform of the International Trade Centre, a joint agency of the United Nations and the World Trade Organization. SMETA proposes over 100 online courses on trade and trade-related topics, specifically tailored for learners in developing and least-developed countries.

SMETA has announced an upcoming ai-powered pilot session of one of their most popular longstanding courses: **Raising Funds for Your Business!** Revamped and updated, this course is designed to provide entrepreneurs and small and medium-sized business owners an overview of the processes involved in raising various kinds of funds for their activities.

[> read more](#)

VDMA members to participate in CAITME expo



CAITME, taking place from 11 to 14 September in Tashkent, Uzbekistan, will see a strong participation of VDMA member companies. Among the numerous VDMA companies present at the trade fair with their own booth or through agents, 13 companies will be exhibiting in the area of the official German Pavilion, organised by the German Federal Ministry for Economic Affairs and Climate Action and initiated by VDMA: Brückner Textile Technologies, Erbatech, Georg Sahm, Groz-Beckert, Heusch, KARL MAYER STOLL Textilmaschinenfabrik, KURIS Spezialmaschinen, Lindauer DORNIER, Oerlikon Textile, Stäubli Bayreuth, STC Spinnzwirn, THIES, Xetma Vollenweider

[> read more](#)

EXTENDED ANALYSIS

Understanding and preserving fibre quality through the cotton production pipeline - part 3 - Contamination



Contamination in cotton can lead to the downgrading of yarn, fabric or garments, or even total rejection of entire batches. Foreign matter incorporated into the cotton often break into smaller undetected fragments during the spinning process, leading to potential defects in the final product. Cotton stickiness can present a major problem in textile processing performance and product quality and is difficult to detect until the problem manifests itself during cotton processing. Seed-coat fragments cause spinning end breakages, deteriorate yarn appearance, increase production costs, and reduces the quality of the final product. Cotton contamination of all type can cause irreparable harm to the relationship between growers, ginners, merchants and textile mills. The most effective and lasting way of dealing with the problem is to prevent its occurrence at source.

Read more about the incidence, detection, measurement, consequences, and reduction of contamination, stickiness and seed-coat fragments in this article by **Mr. van der Sluijs**, Principal Consultant Textile Technical Services and Chair of CSITC.

[> read more](#)

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PARTNER ARTICLE

The impact of key sustainability legislations on the textile and apparel industry in 2024 and beyond

by Akhil Sivanandan, CEO and Co-founder, Green Story Europe B.V

The textile and apparel industry faces a growing regulatory landscape demanding sustainability and accountability. Stricter laws are being implemented globally to address the industry's environmental impact. This article highlights how manufacturers must navigate these regulations to ensure compliance and remain competitive.

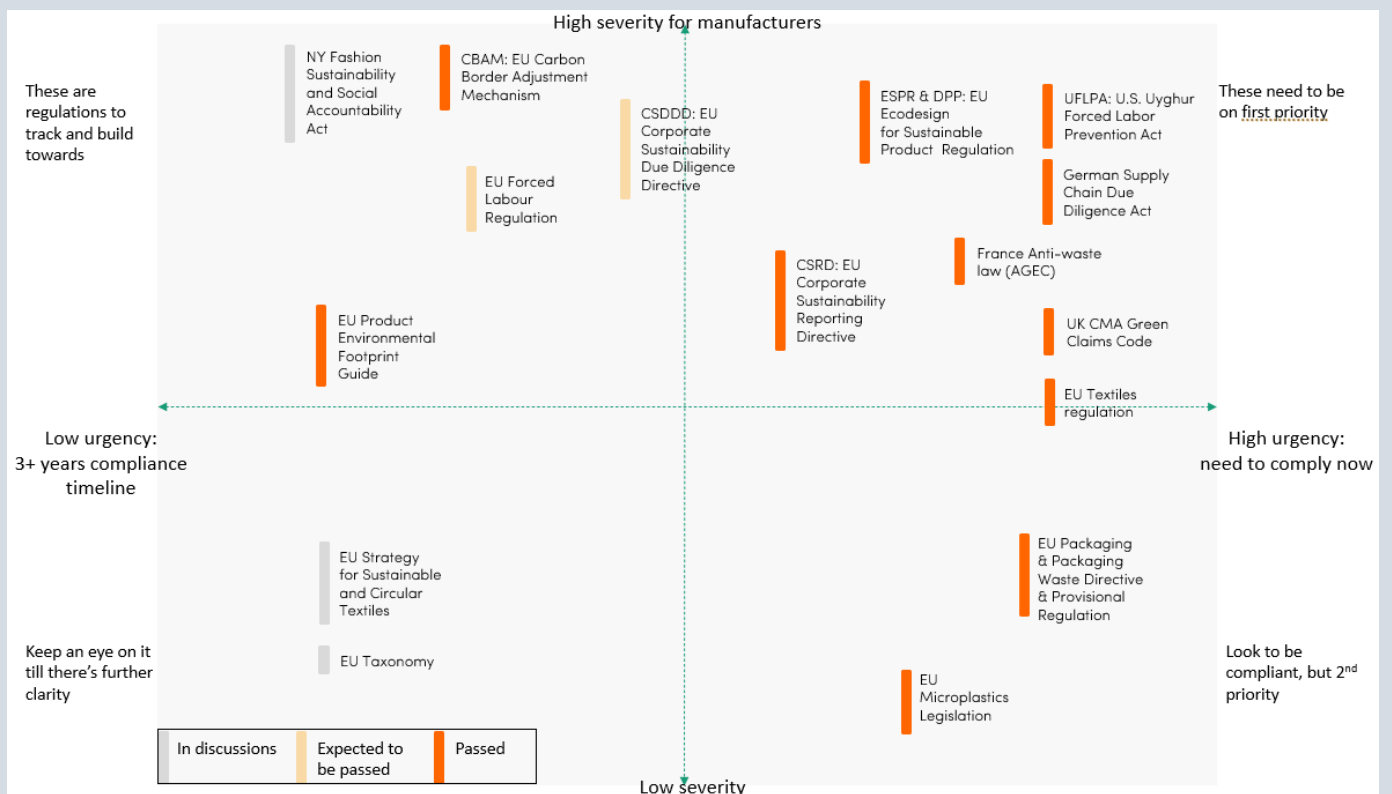
In an industry long defined by fleeting trends and rapid production cycles, a seismic shift is underway. A growing chorus of consumers and regulators is demanding greater sustainability and accountability in the textile and apparel industry. As a wave of stringent legislation sweeps across the globe, the industry's future is being reimagined under

the pressure of these evolving standards.

A Looming Regulatory Storm

The fashion industry's environmental footprint is staggering. As one of the largest polluters globally, contributing approximately 10% of annual global carbon emissions and consuming around 79 billion cubic meters of water each year. The sector also significantly impacts microplastic pollution, with an estimated 500,000 tons of microplastics entering the oceans annually from synthetic textiles. These statistics underscore the urgent need for regulations that enforce transparency and accountability.

Figure 1: Severity and urgency of key sustainability regulations impacting the textile and apparel industry



Sources: Transformers Foundation, EC publications (various), Green Story and BCG

Challenge: Navigating the complex regulatory landscape

1. **Climate and Resilience Law, France:** Introduced in July 2021, this legislation is part of France's strategy to cut greenhouse gas emissions by 40% by 2030 compared to 1990 levels. The law requires

environmental labelling on all goods, which means fashion brands must provide detailed emissions data covering the entire lifecycle of their products.

2. **Anti-Waste Law, France:** Effective from January 2023, this law mandates that textile brands must implement take-back systems or partner with organizations to

[continued] manage end-of-life products. The law aims to tackle textile waste issue by ensuring better recycling practices and transparency regarding product disposal.

- 3. **EU Ecolabel:** Revised in March 2022 under the EU Strategy for Sustainable and Circular Textiles, the EU Ecolabel demands detailed lifecycle assessments and the creation of Digital Product Passports. It focuses on minimizing the use of hazardous chemicals and promoting recyclability. The EU Ecolabel aims to curb the approximately 5 million tons of textile waste generated annually in the EU.
- 4. **Fashion Sustainability and Social Accountability Act, US:** Currently under consideration in New York, this act would require large fashion companies to disclose comprehensive environmental and social data, including Scope 1, 2, and 3 emissions.

- 5. **Ecodesign for Sustainable Products Regulation (ESPR), EU:** This EU regulation aims to transform product design and lifecycle management to prioritize sustainability. It requires mandatory disclosure of material composition and environmental impact through Digital Product Passports.
- 6. **Digital Product Passport Initiative:** This initiative represents a significant leap towards transparency and circular economy principles in the fashion industry. By 2026/7, a DPP will be mandatory for all products, providing a digital record that traces each product's lifecycle from manufacture to disposal. The initiative is set to enhance product transparency immensely and facilitate the recycling and reuse of products, enabling informed decision making based on comprehensive environmental and social data.

Table 1: Summary of the key sustainability regulations impacting the textile and apparel industry

Regulation	Region	Status	Implication of non-compliance
Climate & Resilience Law	France	Law passed in 2021, exact information on labelling still under consideration	finest upto €15,000 if brands fail to comply.
Directive on Green Claims	EU & United Kingdom	Law implemented in UK in 2022; Under consideration in EU	set fines or percentage of revenue as fines dependent on country.
Ecodesign for Sustainable Products Regulation (ESPR)	EU	Approved, implemented from June 2024	Substantial financial penalties, Market access restrictions.
Digital Product Passport (DPP)	EU	EC's draft regulation on DPPs published. Final approval expected in 2024.	Substantial financial penalties, Market access restrictions.
Fashion Sustainability and Social Accountability Act	USA	Under consideration, expected implementation in 2025	Fines up to 2% of their annual revenue over \$450 million

How manufacturers can prepare for this change

This compliance will not only help manufacturers with enhanced reputation but also offer export competitiveness. It paves the way for proactive steps towards aligning your manufacturing practices with customer needs. Here are 5 recommendations:

- 1. Read and understand requirements for these regulations thoroughly (it helps to designate someone in your company as the primary for that role).
- 2. Start establishing baselines on environmental impact and understand information gaps on key areas such as environmental footprint and recyclability.
- 3. Talk to your buyers to understand contractual

obligations they are considering around environmental reporting (focus on DPP requirements as they might be more urgent).

- 4. Plan to have systems in place to ensure data carriers can be present in product (e.g. QR code sewn into clothing labels).
- 5. Begin training your suppliers and team on data gathering.

Adhering to these regulations necessitates advanced life cycle assessments (LCAs) and robust sustainability reporting. With Green Story's platform, textile and apparel manufacturers can effectively track their environmental impact, from raw material extraction to finished product and if requested by customers then also look at end-of-life disposal.

UPCOMING EVENTS

2024

[ITMF Annual Conference & IAF Fashion Convention 2024](#)

September 8-10, 2024
Samarkand, Uzbekistan

[Texhibition Istanbul 2024](#)

September 11-13, 2024
Istanbul, Türkiye

[CAITME 2024](#)

September 11-14, 2024
Tashkent, Uzbekistan

[Dornbirn GFC 2024](#)

September 11-13, 2024
Dornbirn, Austria

[IGDS World Department Store Summit 2024](#)

September 12-13, 2024
Berlin, Germany

[Market Week](#)

September 16-19, 2024
New-York, USA

[Cinte Techtexil](#)

September 19-21, 2024
Shanghai, China

[ICAC's 82nd Plenary Meeting 2024](#)

Sept. 30 - Oct. 3, 2024
Tashkent, Uzbekistan

[Amsterdam Textile Show](#)

October 2-4, 2024
Amsterdam, The Netherlands

[ITMA Asia & CITME 2024](#)

October 14-18, 2024
Shanghai, China

[ICA-Trade Event 2024](#)

October 16-17, 2024
Liverpool, UK

[Uzbek Textile Expo](#)

November, 2024
Tashkent, Uzbekistan

[Moroccan International Textile and Apparel Exhibition \(MIM 2024\)](#)

November 7-9, 2024
Casablanca, Morocco

[APTEXPO 2024](#)

November 13-15, 2024
Singapore, Singapore

[Aachen-Dresden-Denkendorf International Textile Conference 2024](#)

November 21-22, 2024
Stuttgart, Germany

[Sustainability Talks Istanbul 2024](#)

December 3, 2024
Istanbul, Türk