Textiles – Global Challenges and ICAC

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Unresolved Agenda – WTO & Textiles

- World trade values today have ballooned by almost 300 times from 1950 levels
- Trade picking up steeply since the establishment of the WTO in 1995
- Doha Round to achieve further lower trade barrier and revised trade rules has still not concluded

- The Agreement on Textiles and Clothing (ATC) and all restrictions thereunder terminated on January 1, 2005
- The countries in alternate starting developing new economic bocks and/or Free Trade Agreements – Unilateral Concessions

Source: WTO and ITC
Raw Materials to Finished Products – Bottom-Up Model

- World Trade has shifted in favor of clothing in post quota regime
- Clothing which accounts to 41% of total textiles in 1980 increased to 62% in 2019
- Home Textile also emerged as a big category in COVID-19

Source: WTO and ITC
Imports – Big Players

Source: WTO and ITC
Exports – Big Players

Source: WTO and ITC
Raw Material and Finished Products Trade

$ billion

Source: WTO and ITC
Spinning Machines – Capacity Installed

**Total Short Staple Spindles 2019**
- Total 237.6 million spindles
- Asia: 89%
- S. America: 3%
- N. America: 2%
- E. Europe: 1%
- Oth. Europe: 3%
- Africa: 2%

**Total Long Staple Spindles 2019**
- Total 14.48 million spindles
- Asia: 28%
- S. America: 5%
- W. Europe: 9%
- E. Europe: 45%
- Oth. Europe: 5%
- N. America: 6%
- Africa: 2%

**Total Short Installed 2020**
- China: 100,000,000
- India: 60,000,000
- Uzbekistan: 15,000,000
- Bangladesh: 10,000,000
- Vietnam: 20,000,000
- Turkey: 500,000
- Egypt: 500,000
- Portugal: 500,000
- Greece: 500,000
- Spain: 500,000
- UK: 500,000

**Total Long Spindle 2019**
- China: 3,500,000
- India: 2,500,000
- Italy: 2,000,000
- Portugal: 1,500,000
- Spain: 1,000,000
- Greece: 500,000
- UK: 500,000
- Turkey: 500,000
- Egypt: 500,000
- Portugal: 500,000

Source: ITMF
Shuttles less Looms – Capacity

Total 1.8 million shuttle less

Source: ITMF
### Market Access
- FTAs/PTAs/regional blocs
  - ASEAN, RCEA and Transpacific Agreement
- Over Protection / high tariffs
- Antidumping duties
- Countervailing Duties
- Safeguard Measures
- NTBs
- TBTs

### Sustainability
- Compliance – too many certifications
- Manufacturers and Retailers Perspectives
- Governments’ legislations
- Domestic regulatory organizations
Challenges

Intellectual Property Rights
- OEM, ODM to OBM

Cost of doing business
- Supply chain disruptions
- Overreliance
- Increased raw materials and utilities cost

Government support

Innovation specially in Technical Textiles

Research and Development

Technology Transfer

Vocational Trainings
Challenges

- Attracting Foreign Direct Investment
- Capacity utilization
- Distribution of profit - Risks
- E-Commerce
- Product and Market Diversification
- Worn Clothing
- Global Value Chain
ICAC Vision for Textiles

To develop a sustainable global textiles and clothing value chain comprising producers, manufactures, allied industry, distributors and retailers to fully utilize the potential in Member Countries by improving their comparative and developing competitive advantages to generate maximum value addition and create maximum employment.

Public Sector Advisory Council (PSAC)
Representation across value chain including retailers and buyers, machinery manufacturers and allied industry
Deliberation, building narrative and Brining agreed-upon positions with the governments and organizations concerned.
Thank You