



International Textile  
Manufacturers Federation  
emphasizes importance of  
Digitalization, Business  
Communication and Sustainable  
The Apparel Digest Editor  
Mehdi Mahbub is in  
conversation with

**Dr. Christian Schindler**  
Director General of ITMF

**The Apparel Digest (TAD):** What is the objective and Mission of International Textile Manufacturers Federation (ITMF)? As the Director General, how would you like to present ITMF performances to the readers of The Apparel Digest, a knowledge initiative on textile, apparel and fashion sector?

**Christian Schindler:** The mission of the ITMF is to inform, to connect and to represent. First, to inform, the ITMF is constantly sharing information with its members by publishing all sorts of publications. For example, the ITMF Newsletter is published every month, the ITMF Corona-Survey every other month, the Intl. Textile Machinery Shipment Statistics every year or the Intl. Production Cost Comparison every other year. In addition, ITMF is conducting virtual interviews and panel discussions with industry leaders and is offering workshops on different topics. Second, to connect, the ITMF connects its members by offering a platform to personally during the ITMF Annual Conferences or during smaller meetings and workshops. While meeting virtually is a good option to save time and costs, the past two years have demonstrated that face to face meetings cannot be replaced. The ITMF Annual Conference is therefore a very important and also a unique platform for industry leaders from the entire textile value chain to meet and connect. In ITMF, everyone is looking very much forward to meeting each other again physically after the last physical conference which was held in Porto, Portugal in October 2019. Later this year, the [ITMF Annual Conference 2022](#) will be held in Davos, Switzerland from September 18-20, 2022. Third, to represent, ITMF engages in discussions and activities with other organization like the OECD, the Intl. Apparel Federation (IAF) the Fashion Industry Charter for Climate Action, Social Labor Convergence Program (SLCP), the Standard Convergence Initiative (SCI), the Intl. Cotton Advisory Committee (ICAC), etc.

**TAD:** Would you please share your observation on the necessity and importance of automation and digitalization in the fast-changing textile and apparel business environment?

**Schindler:** The pandemic served as an accelerator or booster of the automation and digitalization trends. Already prior to the pandemic companies along the value chain across the entire textile value chain – from fiber production to the finished products – were looking for more automation. There are different reasons for this. One important reason is of course the constantly rising labor costs in important textile and apparel producing countries like for example in China, Bangladesh, or Vietnam. Textile and apparel companies in other regions like in Europe or the America where labor costs are already higher than in Asia were looking for a higher level of automation for quite some time. Another important reason for an increasing demand for automation is that there is a labor shortage. It has become more and more difficult to find people that want to work in the textile industry and are also qualified to do so. This is a challenge in all regions around the world. In some countries this labor shortage is more pronounced than in others. Going forward it will be important that the textile and apparel industry associations around the world together and with the support of governments offer programs that qualify the workforce and showcase the attractiveness of working in this industry.

As for digitalization, it is clear that a high level of digitalization is key for the long-term success of any company in our industry. Digitalization is closely linked to automation. Many processes can only be automated if the digital infrastructure is available. The challenge is to connect different processes and different stakeholders digitally. Very often digital solutions are individual and are difficult to transfer to others. To digitize processes within one company is an important first step. Developing digital solutions that allow to connect

and to work with other partners in the value chain is the next big step. The advantage of a digitalized value chain is obviously that all actors are in a position to make informed real time decision based on data. This is not only important for the front end (sales) and back end (sourcing) of each company. It is also extremely important for all the processes and activities within a company. Before companies can improve their environmental footprint, they need to know where they stand. Without the necessary data about energy and water consumption, data on greenhouse gas emissions, etc. companies cannot develop a successful strategy. Furthermore, digitalization enables companies to work remotely. For example, textile machinery companies were not able to send their technicians to install, repair or maintain machines. With the digital tools and capabilities, they were able during the pandemic to assist their customers remotely.

**TAD:** How do you portray the growing business of Fast Fashion? What are the challenges as well as requirements to be successful in fast fashion?

**Schindler:** Fast fashion is an important part of the apparel industry. Many big brands like Zara, H&M, or Uniqlo have grown with this business model very successfully in the past 10-20 years. Lately, Shein of China has conquered the US-market with very clever but also sophisticated business model. While their products are mainly produced in China, Shein is not selling in China. Shein's products are not produced in large facilities but in many small ones. In addition, the company ships most products by air freight which makes them extremely fast and allows them to adopt very quickly to changing demand patterns. Because they ship mostly small individual parcels most of their shipments stay below the threshold of USD 800 to pay import duties.

With the advent of e-commerce and new e-platforms like for example Amazon, Zalando, Tmall, JD, etc. fast fashion experienced an additional

boom which was accelerated by mobile commerce. For the generation Z smart phones have become the center of their lives. They communicate, play, watch and buy online. With mobile apps like Instagram or TikTok booming fast fashion brands and retailers make successfully use of them by promoting their products directly or via influencers. While fast fashion is successfully meeting customers' demand for low prices, fast delivery, and enormous variety, it is struggling with sustainability both social and environmental. The pure number of additional garments produced is leading to a higher carbon footprint. Therefore, more and more consumers want to be sure that their products are produced in a sustainable manner. The fast fashion industry needs to take this new green consumerism into account which means that they have to develop a supply chain that considers how their products can be reused or recycled. Already at the design stage brands and retailers have to think from the end of life of a product. More and more concepts are developed how to collect, reuse, and recycle garments. Legislation in Europe is under way which will demand the industry to reduce the number of textiles that are being incinerated or dumped on landfills. The Carbon Border Adjustment Mechanism (Carbon Border Tax) of the EU will intensify producers to reduce their carbon footprint. Fast fashion must adapt its business model to these new consumer trends and regulatory environment.

**TAD:** Planet Earth has been experiencing unprecedented environmental impact due to climate change scenario whereas textile and apparel sectors are blamed by many as enemy of the environment due to use of heavy chemicals and very high usage of water resources. In this situation what do you suggest offsetting the environmental concerns as well as to continue this business with sustainability?

**Schindler:** Like all other industries, also the textile and apparel industry needs to work hard to reduce its negative environmental footprint as much as possible and as quickly as possible. Climate change is a fact as are other environmental problems like pollution of soils, rivers, and oceans. The negative consequences are enormous and are felt more often and more locally. Extreme weather events like hurricanes, tornados, storms, floods, heat waves, droughts, wildfires, etc. happen more often and literally all regions are affected in one way or the other. A rising ocean level is an existential threat to all coastal areas with large populations whether these are in Bangladesh, the Netherlands, Germany, Florida, India, China, etc. The drop in biodiversity as a result of pollution and destruction of the habitat is a threat to our future as well. Reducing biodiversity means to threaten the balance of our ecosystem that we all rely on.

Against this backdrop, it is high time that we act and that we act not only individually as persons and companies but also collectively as a industry, as a value chain, as a country, as a region and as a world. There are several platforms that companies from the textile and apparel value chain can cooperate and collaborate. One important platform is the [Fashion Industry Charter for Climate Action \(FICCA\)](#) which is working under the auspices of UN Climate Change. Stakeholder from the entire fashion value chain – from fiber producers to fashion brands – have created this Charter which contains the vision to achieve net-zero emissions by 2050. In different [working groups](#) signatories and supporting organizations like ITMF are coming together to discuss and identify solutions and to share best practices in the industry. The Charter is also bringing together stakeholders in countries to work on the ground on specific solutions. This requires stakeholders to work together with governments as well since the legal framework is most relevant to manage successfully the transition from a fossil-based economy to an economy that is

based on renewable energy. In addition to reducing the emissions of greenhouse gases our industry needs to work on solutions to reuse and/or recycle textiles and garments. Incinerating textiles and garments or dropping them on landfills is not an option going forward. There are enormous efforts underway to increase the reuse of garments or to improve the recycling. It does not come as a surprise that at the ITMF Annual Conference 2022 in September the general theme will be *"Climate Change and a Sustainable Global Textile Value Chain"*.

**TAD:** Business communication plays a pivotal role to be successful in the world of business. On the contrary, global media usually do not present reports on textile and apparel sector until or unless, negative issues come over! In this context, how manufacturers should work out and develop its communication strategy?

**Schindler:** This is an important aspect and very true. I think that companies should not only report about their economic results. They should also inform their customers and the wider public about the progress made in social and environmental matters. It is becoming more and more a necessity to communicate in a transparent and coherent way about where and how products are produced and what their social and environmental impact has been. A higher level of transparency is also supported by more and more ways and means of traceability. In future, companies want, can and must be able to show/prove how products were produced and which (raw) materials went into these products.

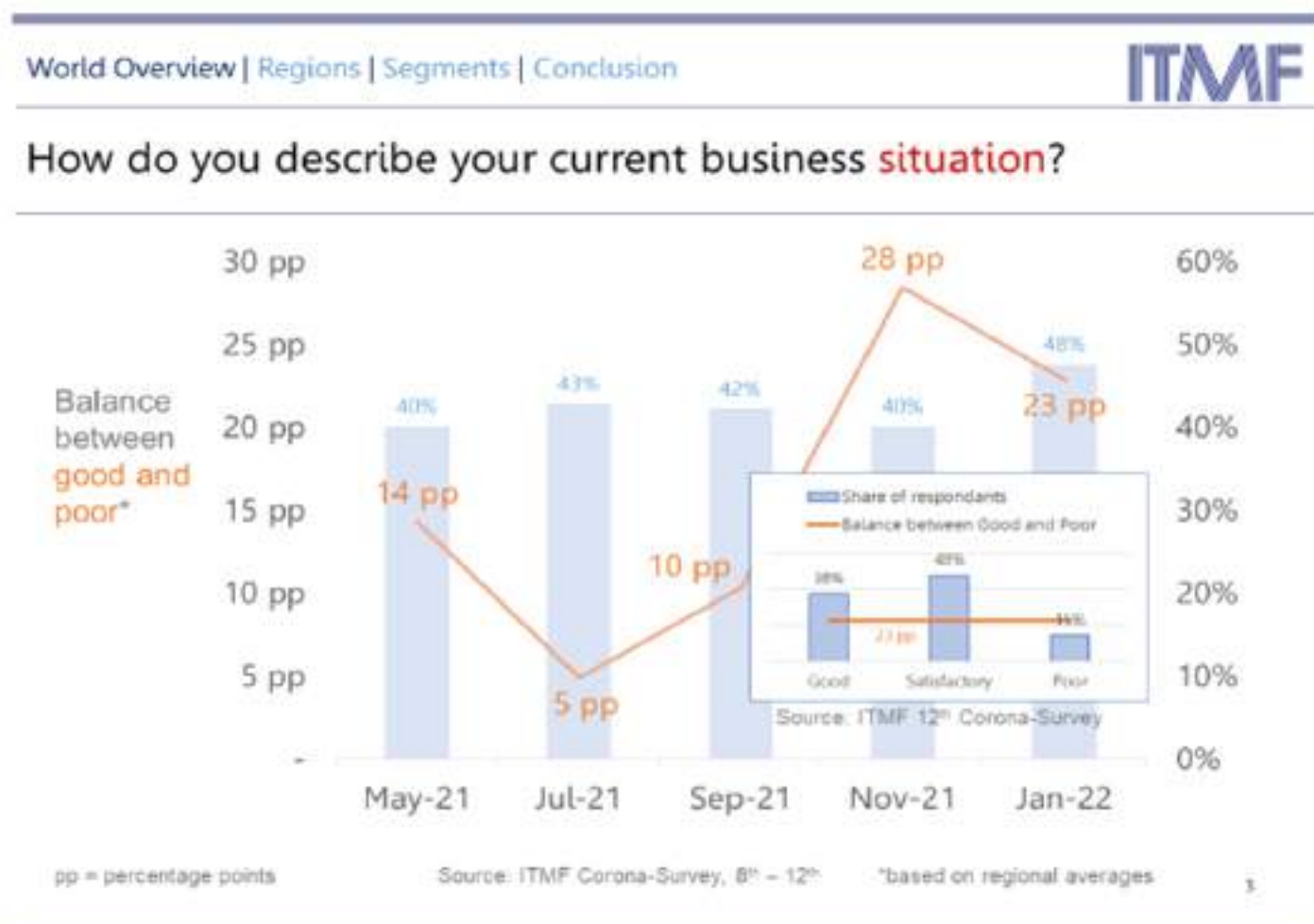
At ITMF for example, we have provided for the first time a platform for start-up companies at the ITMF Annual Conference 2019 where innovative-start-ups can share their ideas and innovation. Bringing together new ideas and well-established companies for cross-pollination is becoming more relevant. At the upcoming ITMF Annual Conference 2022 in Switzerland we will present for

the first time two ITM Awards for Sustainability & Innovation and for International Cooperation. These ITMF Awards should be seen as an incentive for companies to increase their efforts in these fields and to recognize the progress made in the past.

**TAD:** What is the impact of Covid 19 on textile and apparel sector? How long do you think, it would require to go back to normal business?

**Schindler:** The Corona-pandemic had an enormous negative impact on the global textile value chain in 2020 and into the first half of 2021. At the start of the pandemic ITMF had initiated a new survey, the so called ITMF Corona-Survey, with the objective to measure the impact which the supply and demand shocks caused by the pandemic had on the global textile supply chain. Cancellations and/or delays of orders were wide-spread and significant. The 3rd ITMF Corona-Survey conducted in the second half of April 2020 revealed that 40% of orders were canceled or postponed negatively affecting companies and employees alike. Too many retailers and brands cancelled and/or postponed orders of products that had been produced already or in some cases even been shipped to the customers. As a consequence of such bad purchasing practices the Sustainable Terms of Trade Initiative (STTI) evolved. The STTI is a manufacturer driven initiative that focuses on creating fairer purchasing practices in the textile and garment industry. The main objective of the STTI is to identify purchasing practices that allow textile and garment manufacturers to run sustainable operations that are socially, economically, and environmentally viable and acceptable. The STTI published a White Paper that serves as a starting point for discussions within the industry between suppliers and buyers. With the announcement in late 2020 that vaccines will be available soon and the start of vaccination campaigns in early 2021, the global textile supply chain started an unprecedented recovery supported by fiscal measures in

many countries, especially in Europe and North America, and by a supportive monetary policy. Since May 2021 the ITMF Corona-Survey measures the state and outlook of the global textile industry by asking a series of questions every other month. The latest results of the 12th ITMF Corona-Survey which was conducted in the second half of January 2022 were published a few days ago and confirm that most companies in all segments of the long textile supply chain find themselves in a satisfactory and good business situation (see Graph 1).



Also, the business expectations remain optimistic (Graph 2). It is important to note that while the balance fell in January 2022 to +25 percentage points (39%-14%=25 percentage points) from +33pp in November 2021, 39% of companies are expecting a more favorable business by July 2022 and only 15% less favorable business. In addition, it is important to keep in mind that these expectations are expressed on the basis of a very good business situation. (see Graph 2)



The 12th ITMF Corona-Survey also revealed that the biggest concerns are high raw material prices, high logistical costs, and high energy prices. Therefore, it does not come as a surprise that two-thirds of respondents are expecting inflation to remain high beyond 2022. Nevertheless, while companies struggle with supply chain disruption and high costs, only 6% are of the opinion that demand will weaken in the next six months. More details regarding the various segments and regions are available on the ITMF-website ([www.itmf.org](http://www.itmf.org)).

**TAD:** Please share ITMF present and future activities with readers of The Apparel Digest.

**Schindler:** The ITMF will continue to serve its members by providing a unique international platform for discussions among industry experts from the entire textile supply chain from producers of fibers to those of finished products including textile machinery companies and textile chemical producers. ITMF will continue to publish statistics, reports, interviews and surveys. Since the pandemic we have learned to make more and better use of virtual tools. But we have also learned that it is indispensable that industry representatives and leaders meet personally. Therefore, we are all very much looking forward to the ITMF Annual Conference 2022 which will be held in Davos, Switzerland and will be co-hosted by Swiss Textiles and Swiss Textile Machinery. The general theme of the conference will be "Climate Change and a Sustainable Global Textile Value Chain". Experts from along the value chain will share their expertise and will discuss pressing issues along this issue. Among others we will welcome speakers from ABRAPA, Adidas, Archroma, Decathlon, H&M, Infinited Fiber, Rieter, Supima, Tendam, Unifi, or Wood Mackenzie.

**TAD:** Thank you very much Dr Christian Schindler for your time and sharing of your enlightening thoughts and opinion with The Apparel Digest.

**Schindler:** It's my pleasure. On behalf of ITMF, I do wish a safe and prosperous time for all readers of The Apparel Digest. Take care and stay well.