

Textile manufacturers must innovate



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By Madelaine Thomas

Achieving a sustainable textile value chain is an ambitious but essential goal. As global warming continues and pollution intensifies every industry is forced to look internally at how it can play its part in reducing the environmental footprint. As one of the world's largest polluters and as a huge global industry, the role of the textile & apparel value chain in this sustainable transformation cannot be underestimated.

Christian Schindler, director general of the International Textile Manufacturers Federation (ITMF) recognises this responsibility. When it comes to developing a sustainable textile & apparel value chain, he exclaims three important words: "Innovation, cooperation and regulation."



Christian Schindler, director general, ITMF

Innovation

When it comes to innovation, there are a number of existing companies within the supply chain innovating in exciting ways. However, the ITMF is also supporting start-ups in innovating. For example, at its Annual Conference taking place on 18-20 September 2022, in Davos, Switzerland, the ITMF is running Start-up Sessions. In this part of the event, the organisation is inviting up to six start-up companies to share their innovations and business models. Engaging with start-ups is an effort to learn from each other and to help identify new solutions that turn challenges into opportunities, the ITMF says.

Schindler comments: "Here we get to see new companies that are working with innovation. It is very encouraging to see. Everything is about circularity, recycling, traceability. And of course, digitalisation also plays an important role."

Digitalisation

Digitalisation has been instrumental in propelling innovation forward since the outbreak of Covid-19. However, it will now become even more important in creating a more sustainable value chain. Schindler says: "Digitalisation is a must, right? For one simple reason: if you don't have data, you don't know what you are doing within your company." The data gathered from digitalisation allows companies to work smarter and more efficiently, hopefully leading to profit increases – and a more environmentally friendly footprint. For example, Schindler notes: "If you don't know your greenhouse gas emissions, and you don't measure that and have a system in place that you can work with [you can't seek to improve it]. He adds: "This requires investments across the whole value chain."

However, when it comes to digitalisation Schindler notes that technology companies need to cooperate and develop technologies that can be easily integrated with other functions and processes. He says: "What the industry has to think about in the future is not to overwhelm us producers with all the new technology. There's a jungle of products that are offered from smaller and bigger companies and you don't really know where to start."

He adds that, particularly with the current wave of innovation, it can be confusing for companies looking to invest in digitalisation as it can be difficult to know whether technology is compatible with a company's existing systems. And, whether or not they can be implemented and whether, Schindler says, they will still exist in five years' time – with the current rate technology is evolving.

He continues by saying compatibility is a 'big issue across the board'. This, according to Schindler, is where cooperation again comes in. He refers to tech giants Microsoft and Apple which, after many years of competition, agreed to make their programmes compatible with one another. Thus, both companies became stronger once they worked together, rather than against each other.

Despite these complications, companies must start somewhere. Schindler continues: "They can't wait until the final product that everybody is going to use in the future is available. Make your own experience and work your way through. Don't wait too long but get started with small projects and have a learning process."

Net zero

With the mention of greenhouse gas emissions, it is hoped that digitalisation will help companies within the textile & apparel value chain – particularly textile manufacturers – to achieve 'net zero'. When a company achieves net zero, it means they are completely negating the amount of greenhouse gases they produce. Dr Ashley Holding, in his recent article on WTiN.com (hyperlink: [Apparel from air: Making synthetic materials from GHG](#)) notes: "With a truly carbon negative material, an increase in its production would mean a net lowering of global carbon emissions." However, currently in the textile & apparel value chain, there has been minimal success with this concept. The industry achieving complete carbon neutrality at this point in time, seems impossible – though it's still important to try. Schindler says: "It's necessary to work to get as close as possible to net zero."

He adds: "There are so many different stages in the textile industry, starting from fibres. It's very difficult, probably impossible to have everybody agree on one definition of what net zero really means and how to compensate. But one thing is for sure, we have to go for renewables energy and recyclable materials and companies need to do this – and are increasingly – wherever possible."

Financial challenges

Like all industries though, the textile & apparel value chain – and its sustainability bid – is facing many challenges. Ultimately, cost drives everything. If a material is more sustainable but costs double the amount and the manufacturer is unable to carry this cost on to the buyer and consequently the end consumer, the switch to the sustainable material will not take place. The same goes for moving to more sustainable manufacturing technologies. If a manufacturer cannot see a return on investment (ROI) within an allotted time period, again the change will not take place (unless legislation dictates it).

The energy crisis is instilling this notion of cost being a key driver. Schindler notes that with this, regulation is of high importance: "When regulation is written all the costs have to be factored in. For example, fossil fuels – carbon price is starting to be tacked on to using fossil fuel energy," he says.

Europe is particularly impacted by the ongoing – and still worsening – energy crisis. Schindler explains: "At the moment, companies, like consumers, are just trying to survive – especially those in Europe where gas prices are highest."

He adds: "At some point, the prices will come down but the question is whether manufacturers [and other companies in the value chain] can ride out the storm."

And Schindler has seen just how much the energy crisis is impacting manufacturers. He says: "It's affecting companies really badly - especially in Europe, Western Europe, wherever the prices are higher. It's just very difficult for them to pass on these costs. It's hurting them."

Depreciating currency is also negatively impacting many textile manufacturers. For example, Schindler notes, in Turkey – home to many traditional textile manufacturers – the currency is depreciating rapidly, even faster than the European currencies.

Schindler says, as a result: "It's difficult for Western European producers from Spain, Portugal and France, or from North Africa, to compete with these costs."

Aside from the energy crisis, capital remains a barrier to investment in new technologies required to make the textile value chain more sustainable. Schindler says: "There's always a need to invest in new technology but at the moment the need is even more urgent. That's always a problem unless you have deep, deep pockets."

As a result, he continues, many textile manufacturers may find themselves in a difficult position. Especially now with rising interest rates. "It's not getting easier," Schindler adds. "The textile industry wants to invest. Good companies always want to invest in the latest technology. It's not as if they don't want to become more sustainable. In the end, it has to pay off."

However, Schindler notes that manufacturers need to, if financially possible, think about investments as medium or longer-term, rather than expecting short-term ROI – otherwise investment will stall.

He says: "We need a mindset change. If a manufacturer invests in let's say solar panels or wind power, for example, the ROI may not be two years, three years, but maybe five or six years. And if a company doesn't have this perspective, it isn't going to invest."

He adds that some may be too scared to invest because they don't know whether they will still be in business in six years' time. "So, it's not only about availability of funds, sometimes mindset is important, but I think mindset is going to change. It's coming. It's not a question of whether but when it's coming."

And when this shift does come, mindset must also be open to cooperation. Schindler says: "You can't do everything on your own."

ITMF Annual Conference

Cooperation will be an important part of the aforementioned ITMF Annual Conference 2022 in Davos. The theme of the event is Climate Change and a Sustainable Global Textile Value Chain and Swiss Textiles and Swiss Textile Machinery are co-hosts.

A strategic event rather than technical, Schindler explains what makes it unique is that it covers the whole of the textile value chain: "It will cover from fibres to the brands, retailers, machinery, people, chemicals and, of course, the textile manufacturers themselves."

For more information on the conference visit [Annual Conference 2022](#).