Committee of Home Textiles Producers

September 16, 2014

5:00 – 7:00 pm
Room: “A” – above Buyer’s Lounge
Textile Bldg. 295 Fifth Ave
30th & 31st on Fifth Ave
New York / USA

Minutes

Participants:

Austria
Denitza Ivanoff (Lenzing)
Susanne Jary (Lenzing)

China
Lei Huang (Hongliu)
Wang Hongxing (Loftex)

Egypt
Karim Shafei (Gherzi Egypt)

India
Rajesh Mandawewala (Welspun India Ltd.)
Rajinder Gupta (Abhishek Industries Ltd.)
B.K. Goenka (Welspun India Ltd.)

Pakistan
Zaki Bashir (M/S. Gul Ahmed Textile Mills Ltd.)
Ayaz Ali Merchant (Lucky / 1888 Mills)
Nisar Palla (Yunus Textile Mills Ltd.)
Anas Rahman (Feroze 1888 Mills Ltd.)
Umair Virk (Hira Terry Mills Ltd.)

Switzerland
Arthur Esteves-Ferreira (New York University)

USA
Steven Gray (WestPoint Home LLC - Clemson Division)
Barry Leonard (Welspun India Ltd.)
Buxton Midyette (Supima)
Nina Nadash (Lenzing)
Thomas P. O’Connor (Springs Global US, Inc.)
Normand Savaria (WestPoint Home LLC)
Jonathan R. Simon (1888 Mills, LLC)

ITMF
Christian P. Schindler (ITMF)
1. Opening Remarks

The meeting was opened with a few introductory remarks by the Director General, Dr. Christian Schindler. He thanked everybody for having taken the time to attend the meeting of the ITMF Home Textiles Producers (HTP) Committee during the Home Textile Market Week in New York.

He informed the participants that unfortunately there would be no presentation during the meeting on “Cotton Prices & Forecasts” as scheduled. The meeting regretted this very much since the presentation on “Cotton Prices & Forecasts” by Jordan Lea during the last HTP-Committee meeting in March was very well received. The meeting agreed to have instead an exchange of opinion about cotton prices.

2. Discussion on “Cotton Prices & Forecasts”

The participants had a very active discussion and exchange of information on the cotton supply and demand situation in various cotton producing countries like India, Pakistan and China. With international cotton prices having come down lately the general sentiment was that cotton prices remain under pressure. In this context there was agreement that the Chinese cotton policy will be crucial for the further development of cotton prices. While some policy details of the new target price scheme had been announced by the Chinese government (e.g. direct subsidy to cotton growers in Xinjiang based on area (60%) and production (40%), non-intervention in cotton market price) other details remain open (e.g. when and how the enormous state reserves will be liquidated) and will be important for the development of Chinese and international cotton prices.

3. Presentation on “Home Textile Standard Audit Label”

Based on the proposal that had been circulated alongside the agenda for the meeting in New York (see attached document: “Home Textile Standard Audit Label”), Mr. Karim Shafei, Gherzi Textil Organisation, presented a short overview of his proposal.

The proposal is based on the following analysis:

“Most home textile retailers have developed their own audits and their own processes for ensuring the compliance of their suppliers. Moreover, they have each developed their distinct set of standards and their own methodology. This has resulted in factories having to undergo an intolerable amount of audits every year, consuming from both the retailers and the manufacturers significant costs and efforts. Additionally, with the differences in requirements between the various retailers, it is becoming almost impossible to satisfy the standards of one retailer without infringing on another's.

The ITMF Home Textile Producers (HTP) Committee has agreed to work on developing a standard audit, supported by the ITMF, which will combine the various requirements of the buyers. The audit would serve in the short term to eliminate the need for retailers’ own certification. In the medium and long term the initiative will work on a wider recognition of factories that are meeting those standards by creating a label or a brand.”

The meeting welcomed the proposal and the approach to divide the initiative in three phases whereby phase 1 would “Conceptualization”, phase 2 “Development” and phase 3 “Launch”. The main objective of phase 1 “Conceptualization” is to consolidate the various buyers' audits, to identify possible other organisations and their activities in this field and to prepare a first draft of a standardized audit that can be presented in meetings with buyers/retailers.
The meeting discussed the proposal in length and agreed that the Committee should move forward with the initiative. With regard to the costs involved in this first phase the meeting approved in principle and asked Mr. Jon Simon (1888 Mills) to negotiate the final fee and conditions. In the meantime the contract was negotiated. The revised contract includes expenses for phase 1 resulting in savings of approx. CHF4’000-5’000 (see page 11 of the revised proposal).

The following companies have indicated to co-sponsor the expenses of phase 1:

1888  
Alok  
Century Textiles  
Gul Ahmed  
Hira  
Lucky  
Springs  
Trident  
Welspun  
Westpoint  
Yunus

It was agreed that the results of phase 1 should be presented at the meeting of the HTP-Committee in January 2015 in Frankfurt/Germany during Heimtextil 2014. If the time is too short to present a final report in Frankfurt, a preliminary report should be presented so that the final report can be presented at the meeting of the Committee in March 2015 in New York during Home Textile Market Week.

4. Next Meetings

The next meeting will take place on the occasion of the ITMF Annual Conference 2014 (October 16-18, 2014) in Beijing/China on October 16, 2014 (16:45-18:00 hrs.).

Traditionally, the HTP-Committee meets in January during Heimtextil in Frankfurt/Germany. It was agreed that the Committee will meet during Heimtextil (January 14-17, 2015) on Thursday, January 15, 2015 (17:30-19:00 hrs.).

September 2014