Sustainable and Circular Textiles

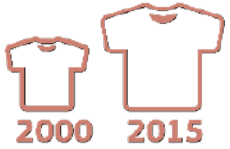
DG Internal Market, Industry, Entrepreneurship & SMEs
European Commission

EU Strategy for Sustainable and Circular Textiles
Need for action

1% of material used to produce clothing is recycled into new clothing (globally)

About 5.8 million tonnes of textiles are discarded every year, equivalent to 11.3 kg per person (EU)

Almost 9/10 Europeans (88%) think that clothing should be made to last longer



Textiles production doubled between 2000 and 2015 (globally)

Road to 2030: the vision of the Strategy

- By 2030, all textile products placed on the EU market are:
  - **durable, repairable and recyclable**
  - to a great extent made of recycled fibres
  - free of hazardous substances
  - produced respecting social rights

- "**Fast fashion is out of fashion**"
- In a competitive, resilient and innovative textile sector producers take responsibility for their products along the value chain
- **Circularity** has become the norm and the incineration and landfilling of clothes has been minimized

Key actions

1. New **design requirements for textiles** under the Ecodesign for Sustainable Products Regulation
2. **Stopping the destruction** of unsold or returned textiles
3. Action to address the unintentional **release of microplastics** from synthetic textiles
4. **Clearer information** on textiles and a digital product passport
5. Tackle **greenwashing**
6. Mandatory **Extended Producer Responsibility** for textiles with eco-modulation of fees

Ecodesign and structural aspects

- Binding **performance** ecodesign requirements:
  - durability, reusability, reparability
  - fibre-to-fibre recyclability and mandatory recycled fibre content
  - minimise and track the presence of substances of concern

- **Transparency obligation** to publicly disclose the number of products discarded and destroyed+ **possible ban** (if appropriate)

- Tackle **microplastics release**

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Empowering consumers in the green transition

- Review of the **Textile Labelling regulation**
  - Aim to introduce mandatory disclosure of information such as sustainability and circularity parameters.
- Setting **information requirements** for a **Digital Product Passport** for textiles

Tackling greenwashing

- Greenwashing is the practice of marketing a product to appear more environmentally friendly.
- Green claims initiative will include:
  - **Minimum criteria** for all types of environmental claims, including textiles

Extended Producer Responsibility

- Harmonised EU extended producer responsibility rules for textiles.
  - Eco-modulation of fees
  - The key objective will be to create an economy for collection, sorting, reuse and recycling, as well as incentives for producers and brands to ensure that their products are designed in respect of circularity principles.

TEXTILES ECOSYSTEM TRANSITION PATHWAY

Personal data redacted

3,1% of manufacturing value added

6,2% of manufacturing employment

Textiles
Clothing
Leather
Footwear

Textiles ecosystem

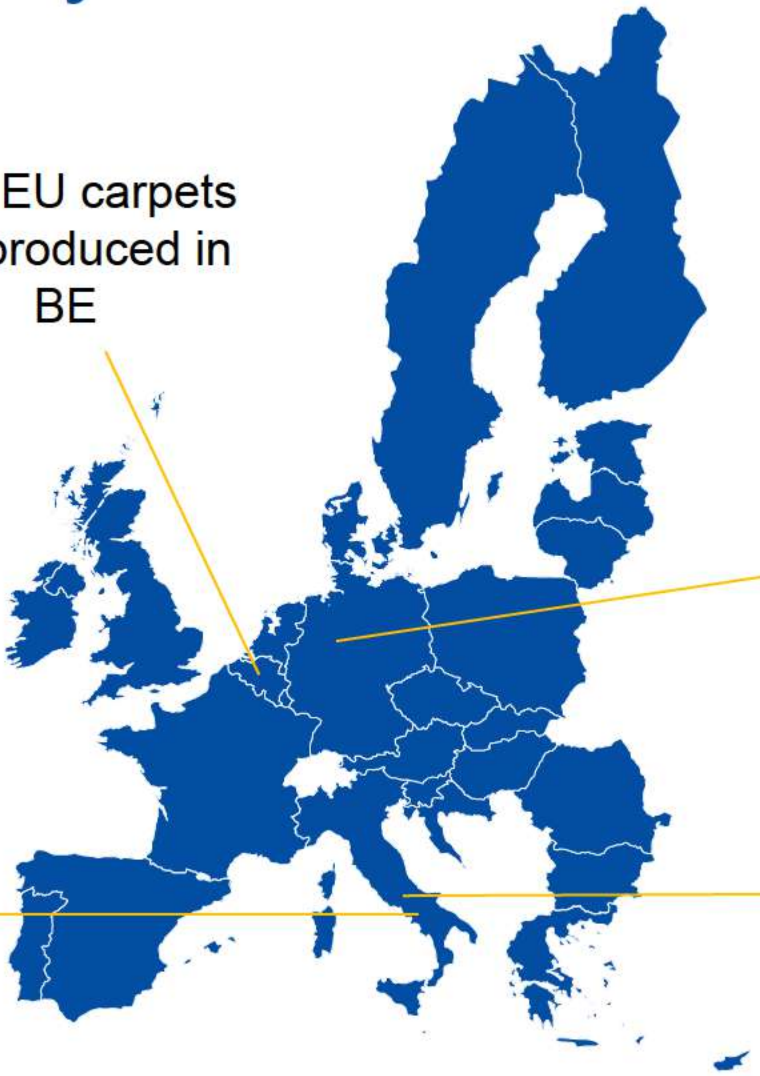
99,5% of companies are SMEs

High share of imports: 73% of fashion products are imported

Textile & clothing: exports +58% (2010-2019)

Textiles Ecosystem

¼ of EU carpets are produced in BE



¼ of all technical textile produced in DE

Over 40% of all clothes made in the EU produced in IT and over 60% of leather tannery turnover.

2/3 of footwear production in IT, ESP and PT.

Strengths and challenges

Competitiveness strengths:

- High quality of production
- Rapid integration of new and innovative materials
- Front runner position in terms of uptake of sustainability practices
- Strong brand names, especially in the high-end industries
- Strong leadership in high-value added segments where drivers of competitiveness are difficult to replicate

Competitiveness challenges:

- Strong competition from third countries
- Integration of sustainable and circular practices in the value chain
- Skills gaps and shortages
- High labour costs
- Innovative capacities concentrated in few Member States.

E-commerce

- Growth of e-commerce in clothes, shoes and accessories during COVID-19
- **68%** of consumers purchased clothes, shoes or accessories online

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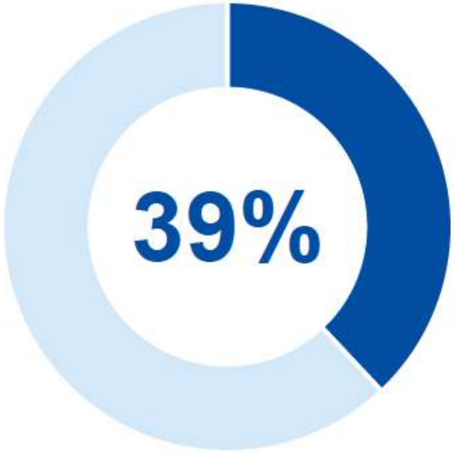
Key figures of EU textile and clothing trade

- **39%** of EU turnover sold on the global market
- **€58 billion** of exports
  - Exports **+58% (**2010-2019)
- **€106 billion** of imports
  - Imports **+43%** (2010-2019)



Textile and clothing imports: €106 billion

Import of clothes in 2021: **€72 billion**

Five biggest exporters of clothes to the EU:

- China
- Bangladesh
- Turkey
- India
- Vietnam

- EU imports from China and from the most competitive trade partners with preferential access make up over **70%** of total EU imports.

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Import of clothes to the EU
(2020 data)
TOP 3 COUNTRIES OF ORIGIN
1 China
2 Bangladesh
3 Turkey
IMPORT TO THE EU
€69 BILLION
China
€21 BILLION
30%
Bangladesh
€12 BILLION
18%
Turkey
€8 BILLION
12%
ec.europa.eu/eurostat

Covid impact on the textiles ecosystem & recovery

Impact

- Collapse of demand
- Sector hard hit by closure of retail shops
- Industrial value chains not functioning

Recovery in 2021

- Rebound in exports, turnover and retail sales
    - Turnover **+11,2%**
- Recovery hampered by higher shipping, energy and raw material costs

Transition pathway to be co-created with stakeholders

LINKS TO OTHER ECOSYSTEMS

Supplier of input materials to e.g. **healthcare, construction and automotive sectors.**

Some essential **chemicals** such as colourings, dye stuff and coatings.

Close links with **retail ecosystem**.

RESILIENCE

Potential to strengthen specific **segments of the ecosystem**

39% of EU production is sold on global markets – potential to increase market share

New business models – reuse, recycling and circularity

RESILIENCE ISSUES

Skills shortages – digitalisation and new technologies

Complex value chains that can easily be disrupted

Level playing field with trading partners

SMEs struggle to **access EU funds**

SUSTAINABILITY ISSUES

Need to **design and produce sustainable textiles**

Creating the **shift to sustainability**

Textile **waste prevention** and **waste management**

Funding to strengthen the circularity in the textiles value chain and **develop innovative and advanced materials**

DIGITALISATION ISSUES

Uptake of digital technologies a challenge for SMEs

Digital upskilling – digitalisation skills shortages

The data economy – lack of data sharing for data enabled business models

Online market places – SMEs struggle to market products online

CO-CREATION PROCESS TO TRANSFORM THE ECOSYSTEM

Launch discussions with stakeholders

Online survey
Workshops

Specific actions
Commitments

Publication of final transition pathway

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THANK YOU