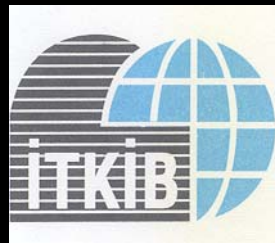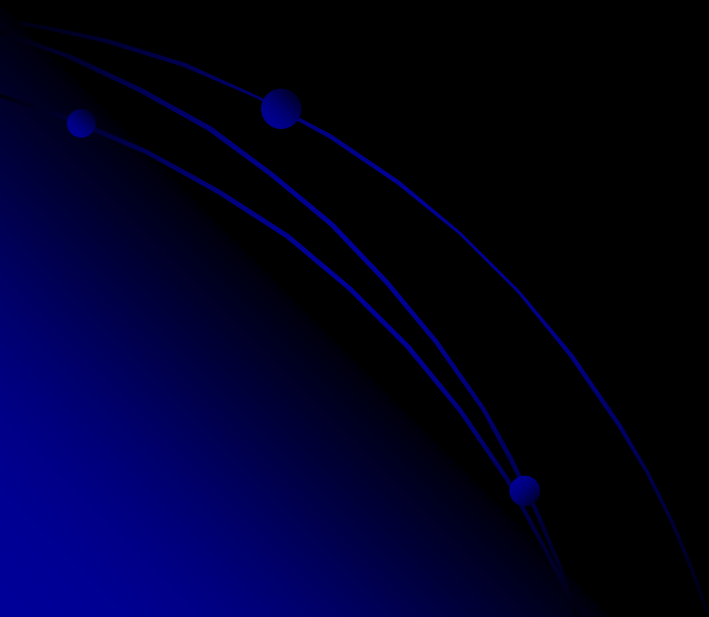# REACH
&
Textile and Apparel Industry

Selim AKDOGAN

Istanbul Textile and Apparel Exporters' Associations (ITKIB)

Istanbul Textile and Apparel Exporters' Associations (ITKIB)

ITKIB, established in 1986 and includes:

➢ Istanbul Textile and Raw Material Exporters' Association,

➢ Istanbul Ready Wear Garment Exporters' Association,

➢ Istanbul Leather and Leather Products Exporters' Association,

➢ Istanbul Carpet Exporter's Association.

Main activities of ITKIB are :

➤ Gathering and providing trade-related information to its members totaling more than 16,000,

➤ Carrying out market surveys,

➤ Dealing with formalities of exports; providing the necessary documentation,

➤ Keeping statistical data about the exports

➤ Cooperation between the textile and apparel industries of Turkey and EU by becoming member of EU industrial organisations like Euratex.
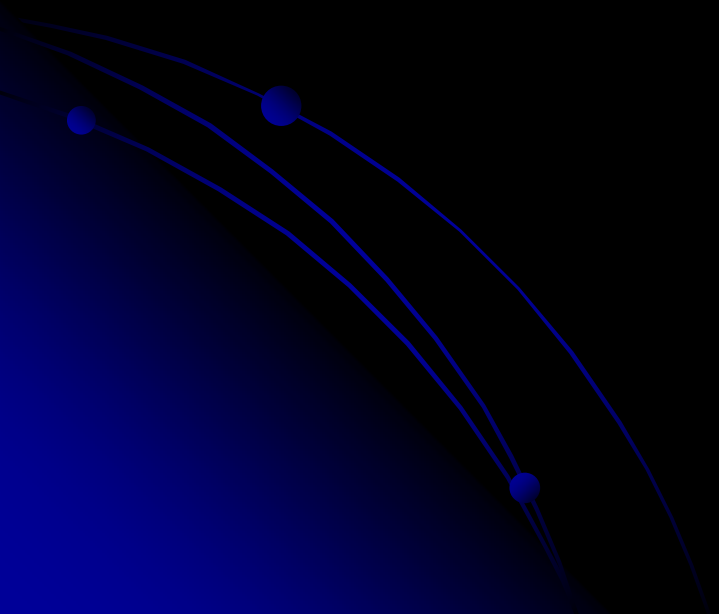
In 2007, Turkey's :

- Total export of **apparel**: 15,6 billion $
  - share of **ITKIB** in total export: 77%

- Total export of **textile** : 6,4 billion $
  - share of **ITKIB** in total export: 56%

- Total export of **leather**: 1,2 billion $
  - share of **ITKIB** in total export: 83%

- Total export of **carpet**: 992 million $
  - share of **ITKIB** in total export: 28%

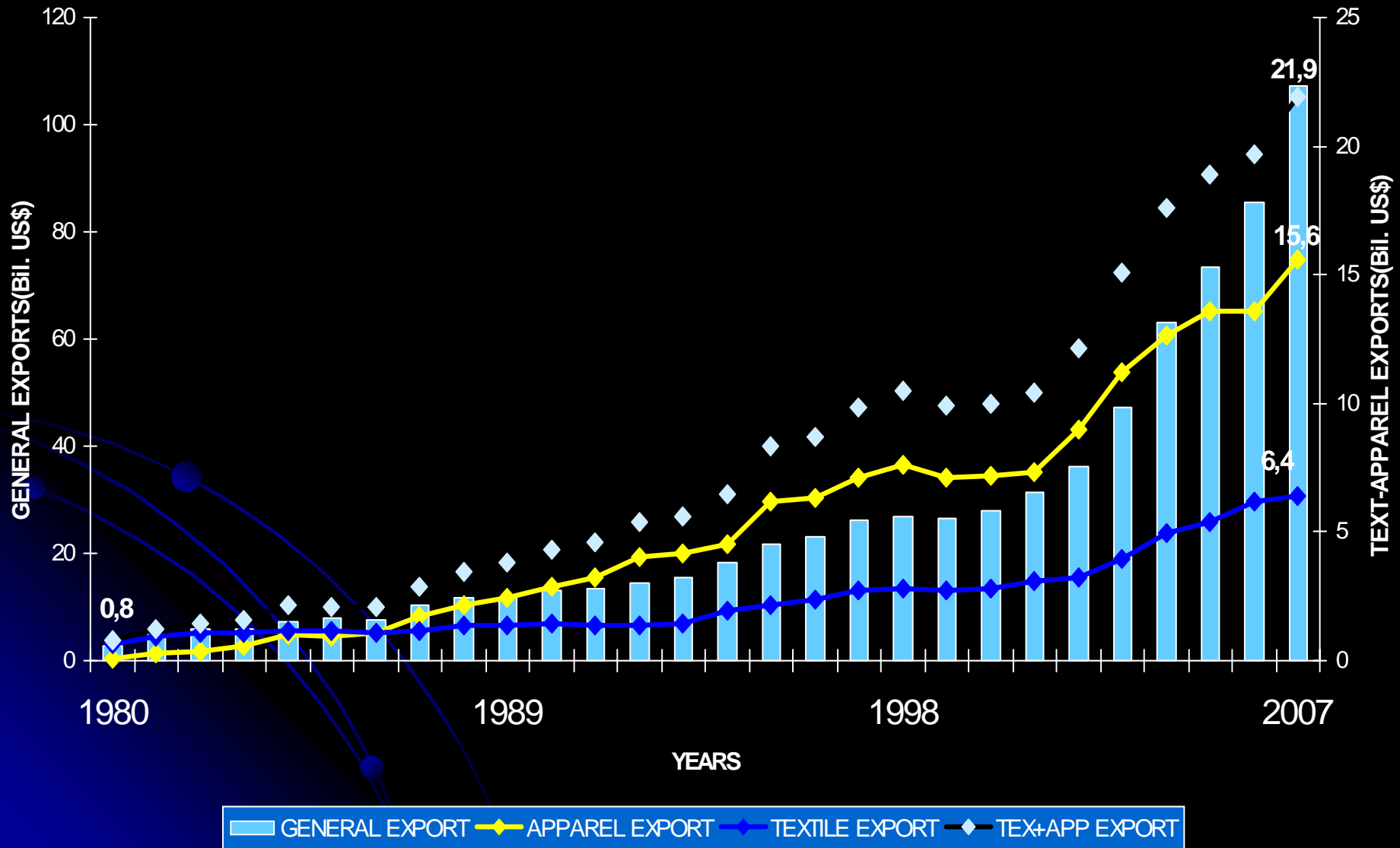# Textile and Apparel Industry in Turkey

Textile and Apparel Industry in Turkey

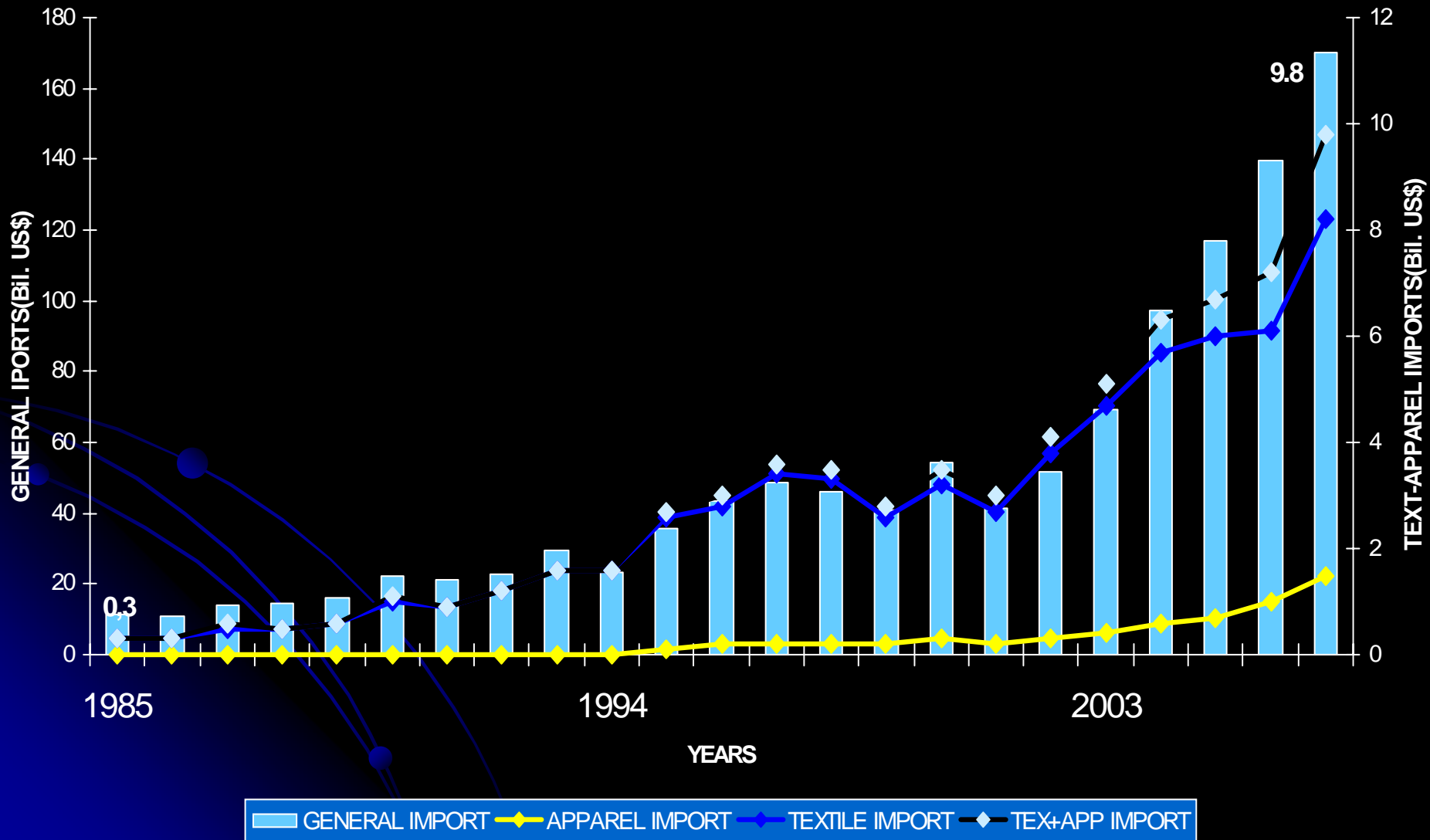The industry has a great contribution to the
Turkish economy.

This can be seen in main macro economic indicators.
(2007)

- ✓ 8 % of GDP,
- ✓ 16.3 % of industrial production,
- ✓ 11.4 % of manufacturing labour force
- ✓ 22 % of total Turkish export earnings.
- ✓ USD 21.9 billion export

Textile and Apparel Exports in Turkey

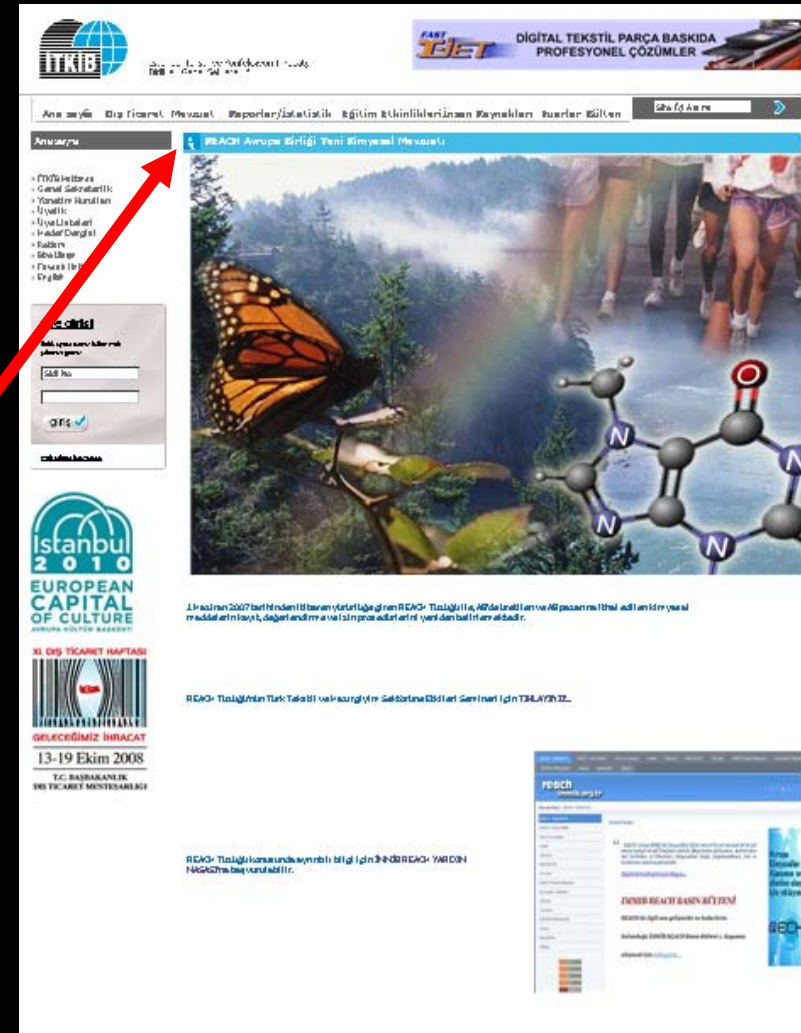# Textile and Apparel Imports in Turkey

ITKIB & REACH

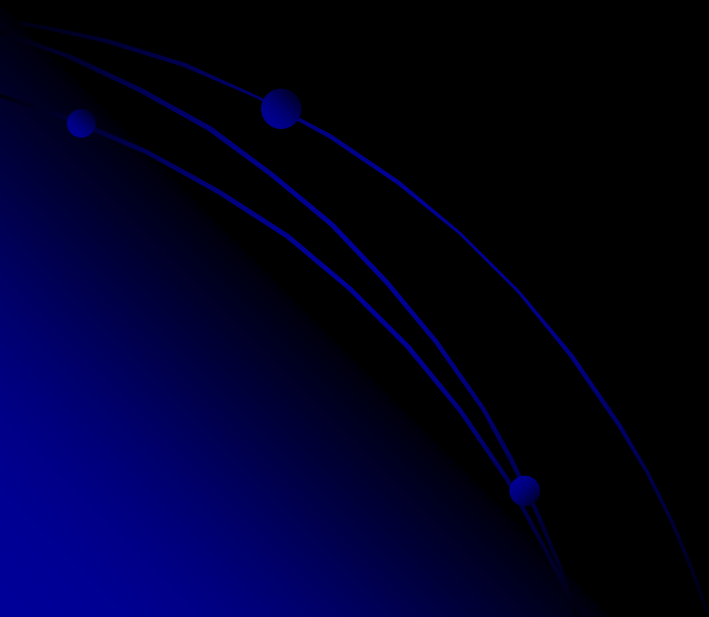**ITKIB has informed the Turkish Textile and Apparel Industry about REACH.**

- ✓ Seminars and meetings has been organized
- ✓ A special part is reserved for the REACH news on ITKIB Webpage
- ✓ ITKIB's "EU-CU and Agreements Department" has focused on the issue,
- ✓ Close co-operation with Turkish Chemical Industry.

● www.itkib.org.tr

Challenges & Opportunities of REACH

Challenges & Opportunities of REACH

Textile production is a chemical intensive process.

Important part of the EU production shift to Turkey, Asia and Northern Africa, due to:

- ✓ Legal environmental requirements
- ✓ Increase of the costs of production

REACH changes the balance and lead the restucturing of the textile market:

- ✓ Important tool in the competitive market
- ✓ EU producers better positioned to provide information
- ✓ Creation of unfair competition between complaint and non complaint companies

Difficult position of the non-EU based producers

- ✓ Smaller obligations,
- ✓ Problems to identify the substances contained in their products,
- ✓ Problems for tracking information.

Supply chains may need to change

- ✓ Registrations costs,
- ✓ Problems for re-organisation of company involved in the process,
- ✓ Risk of manufacturers pre-registering all chemicals regardless of the need defined in REACH regulations.

Requests to supply REACH complaint products not only from EU based customers

The process will cause complexities:

- ✓ Compliance may be required only by some customers,
- ✓ Confidence in the trade of information,
- ✓ Case of multiple suppliers for a specific product in the same picture.

Real impact:

- ✓ Business costs,
- ✓ Risk of commercial information to be revealed.

REACH will affect the way business to Europe is executed. The firms need to:

- ✓ Prepare to manage the communication up and downstream,
- ✓ Address the challenges in supply of materials and customers demands,
- ✓ Handle the administrative and technical tasks.

REACH will provide:

- ✓ Market to be more transparent,
- ✓ Positive impact on product liability and quality,
- ✓ Substitution of harmfull chemicals,
- ✓ Benefits for human health and the environnement for proportionate controls over hazardous chemicals.

Trade diversion -> Re-substitution of Asian suppliers with Turkey:

✓ Need for more information and more co-operation between supply chain (lack of transparency in Asia)

✓ Problems about cooperation with Asian suppliers about chemicals used in articles.

REACH may bring serious business opportunities
to those producers who start their preparation for
REACH now !

Selim AKDOGAN