



EUROPEAN COMMISSION
ENTERPRISE AND INDUSTRY DIRECTORATE-GENERAL

Chemicals, Metals, Forest-based & Textile Industries
Textiles, Fashion and Forest-based industries

CONCLUSIONS

Euro-Mediterranean Conference “Textiles and Clothing Sector at the Time of Globalisation: Managing Structural Changes and Remaining Competitive”

12 June 2007

(Ceylan Intercontinental Hotel, Istanbul, Turkey)

The Euro-Mediterranean Conference on “Textiles and Clothing Sector at the Time of Globalisation: Managing Structural Changes and Remaining Competitive” was the first conference organised by the European Commission services in the framework of the Euro-Mediterranean Dialogue on the future of the textile and clothing industry. The aim of the conference was to share experience gained from the process of adapting to structural changes and learn from policy makers about the measures they were taking to facilitate the textile and clothing industry to manage change and anticipate developments impacting the industry. The conference was essentially dedicated to industry stakeholders, social partners and trade unions, and public authorities including regional and local administrations from the Euro-Mediterranean region.

The event was kicked off by a welcome address of representatives of **ITKIB** (Istanbul Textile & Apparel Exporters’ Associations) who expressed the concerns about the expiry of the EU-China agreement on quotas in 2007 and emphasized the important role of the EU in setting up the conditions for fair trade and regulating trade environment.

In the opening address **DG Enterprise and Industry** of the European Commission stressed that restructuring remains an issue high on the Commission’s agenda and that a wide range of EU policies (employment policy, industrial policy, financial instruments, education policy, external actions, social dialogue etc.), are designed to ensure growth and more and better jobs while maintaining social cohesion, to improve competitiveness through innovation and skills upgrading and to create new opportunities by obtaining market access. The Commission also provides support to the development and exchange of information and good practices and encourages the industry’s stakeholders to engage into partnerships.

The conference panellists highlighted issues that are fundamental for strengthening the capacity of the textile and clothing industry to manage and adapt to structural change. Representatives of national public authorities presented their national strategies/national plans for improving the competitiveness of the industry. Open debate also touched upon

the issues such as the expiry of the China-EU agreement on quotas in textiles, preferential rules of origin and potential negative effects of made-in marking on textile/clothing products for Pan-Euro-Med zone.

CONCLUSIONS AND RECOMMENDATIONS

Participants called the attention of **public authorities** to mitigate the social and economic impacts caused by the restructuring of the sector. Policy measures should facilitate the reallocation of resources, promote efforts leading to better innovation, match of skills and qualified training, and intensify control of social and environmental compliance. Public authorities must create more favourable environment for investments, in particular in human resources and new technologies, and provide guidance and supporting measures to companies adapting to a structural change. Full text of the presentations on the website: http://ec.europa.eu/enterprise/textile/conf_tc200706_doc_en.htm).

Proper training for those who remain within the industry as well as for those that have to leave the sector is essential. **Local and regional authorities** are called to provide appropriate tools, especially for SMEs, for re-skilling/re-training and relocation of workers and attract investments which would have the capacity to employ inside the region/locality. Support mechanisms must be in place to help territories to mitigate negative consequences. The continued modernisation of the industry requires a strategy based on innovation, research and skills and implemented at local level in a public-private partnership. Full text of the presentations on the website: http://ec.europa.eu/enterprise/textile/conf_tc200706_doc_en.htm).

Participants underlined that adaptation to new environment is inevitable. The **industry** must continue to build a base for its sustainable growth through investing into human capital and the knowledge based on research and innovation. The industry must not think locally when facing global players and in order to be able to do so it needs to have appropriate tools and be able to employ them while managing changes. The industry must at the same time have a will to transform and improve its capacity to adapt quickly to market developments. Textile/clothing enterprises should focus also on environmental aspects of their activities and valorise their output by greening their production. It is also important that the industry improves its image in front of public authorities, the press and the banking sector. Examples of enterprise strategies to actively manage restructuring: business downsizing, repositioning of own brand; R&D activities and investments into education (training of managers, designer training); shift to new production areas such as high-tech products, technical textiles or organic cotton/organic textiles; search for new business opportunities with emerging economies. Full text of the presentations on the website: http://ec.europa.eu/enterprise/textile/conf_tc200706_doc_en.htm).

It was recommended for the industry in the **whole Euro-Med region** to diversify the production, offer employment alternatives, renovate production activities and cut a production in response to a reduced demand (“retrenchment”). Specifically for the textile and clothing sector in MEDA countries, it was emphasized that it is necessary to shift toward co-contracting and finished products, set up new distribution systems, diversify activities on various markets, move toward medium/high-end niche products, and most

importantly for the future, to create big industrial groupings. Countries in the Mediterranean region should also strengthen their mutual collaboration and form synergies in areas of their competitive advantages.

In the closing address **DG Enterprise and Industry** emphasized that managing change requires coherent efforts at all levels and full commitment by public and private stakeholders. The public policy to smooth the transition and ensure that conditions for the sustainable growth and a level playing field are in place must be accompanied by industry's investments into human capital and knowledge in the areas of research and innovation.