

## **Environmental Standards Positively Impact Trade in Textiles and Clothing: CUTS**

“Standards are not meant to obstruct free trade in the global market,” said Fernando Perreau de Pinninck, Head of Unit, Tariff and Non-Tariff Negotiations & Rules of Origin, Directorate General of Trade, European Commission. He was speaking at a meeting in Brussels jointly organised by CUTS International, Jaipur and European Centre for Development Policy Management on 4<sup>th</sup> October, 2013. “There are certain technical regulations that are mandatory and there are standards not purely private but based on consensual participatory approach, which need to be complied with for better access to international markets,” he added.

The dissemination meeting was held under a project titled ‘A Study on Environmental Standards & its Trade Impact on Indian Textiles & Clothing Sector’, supported by the Ministry of Foreign affairs, Norway, through the Royal Norwegian Embassy, New Delhi and implemented in partnership with National Institute for Consumer Research (SIFO), Oslo. It was attended by more than 30 participants comprising of policy makers, representatives from inter-governmental organisations, academia, civil society organisations and eco-labelling bodies.

San Bilal, Head of Economic Transformation and Trade, ECDPM, expressed that non-tariff measures have emerged as complex issues in international trade and requires special attention. He said, the study analysing the impact of environment-related trade measures on the Indian textile and clothing sector is an interesting and important work of CUTS because it will provide specific inputs to devise an approach that can lead to more sustainable development by creating greater awareness on the subject and also to better equip the relevant stakeholders on eco-compliance, technical and other standards.

Rashid Kaukab, Director, CUTS International, Geneva, thanked the Norwegian Ministry of Foreign Affairs for its support in conducting this research. He also stressed on the importance of coherence between trade and public policy to mitigate possible negative impacts of environment-related trade measures.

Lars-Erik Nordgaard, Counsellor for Trade and Industry, Mission of Norway to the European Union in Brussels, said that increased trade leads to economic prosperity. He expressed the need to raise public awareness in order to promote eco-labelling in domestic and international markets. He further said that CUTS is a respected institution in the field of trade and regulatory issues, and has helped both governmental and inter-governmental organisations in making informed decisions on important aspects of international trade and regulations.

Presenting the findings of the study, Archana Jatkar, Coordinator and Deputy Head, CUTS Centre for International Trade, Economics & Environment, said that Indian textiles and clothing manufacturers should focus on meeting standards relating to the design, quality and content so as to remain internationally competitive. The findings of the CUTS study reveal that the export volume of Indian textiles and clothing products will increase with better compliance with environmental standards as that will reduce uncertainty in market access and will also enhance market access *per se* in niche products. She said, Indian producers need to prepare themselves for complying with new environmental standards and labelling requirements because many large global players in the textiles and clothing sector are taking own initiatives to enhance compliance with better environmental standards in their supply chains.

Eivind Sto, Director, SIFO, Oslo, shared the findings from stakeholder and consumer surveys, which were done across selected European countries, viz. England, France, Germany, Norway and Sweden. Findings from the study show that consumers across these countries are generally more aware of domestic eco-labels as opposed to global eco-labels. He expressed that increasing level of understanding among the consumers about the environmental impact of textile production and consumption is yet to be channelised to the supply chain of the production process through effective policy tools. This is the case in both Norway and India. It is because, while there is an increase in the level of understanding among the consumers and other relevant stakeholders, there is no substantial and institutionalised pressure from consumers, public authorities or non-governmental NGOs.

Manbar Khadka, Research Associate of CUTS said that despite being aware of global environmental standards, the acquiring of such certifications is low among the Indian textiles and clothing manufacturers. This is mainly because of cost and other technical barriers. Furthermore, they are confused as to which eco-labels to comply with given the vast number of eco-labels in global textiles and clothing markets.

Responding to these comments, Herbert Ladwig, Managing Director of Global Organic Textile Standards said, Indian manufacturers must not deter from complying with environmental standards as benefits of eco-compliance will surely outweigh the cost of eco-compliance in the long-run.

Ullhas Nimkar, Chairman and Managing Director of Nimkar Tek Pvt. Ltd, India stressed on the importance and knowledge of chemicals and their impact on ecology and human health. He said that the Indian textiles and clothing industry needs to ensure that chemicals that are dangerous to the environment and human health are phased out. This, according to him, is an extremely important aspect that needs to be addressed dynamically through cost-benefit analyses.

Lilowtee Rajmun, Director, Mauritius Exporters Association emphasised on the growing importance of the textiles and clothing sector in the Mauritian economy as it is one of the most innovative and productive industry. She said that with support from the government the Mauritian textiles and clothing sector is being encouraged to adopt cleaner production technologies. She informed that MEXA along with inter-governmental bodies such as the United Nations Industrial Development Organisation is carrying out sensitisation programme on environment-friendly and energy efficient technologies.

During the discussion, one of the participants argued about the importance of social networking as a tool for promoting eco-labelling schemes. The manufacturers should communicate via internet to potential customers about environment-friendliness and other important aspects of their products.

The meeting concluded with a discussion about the need for an internationally harmonised eco-labelling scheme so as to effectively promote environmental sustainability in the supply chain of the textiles and clothing sector.

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