AUSTRALIA

Achmea to support Australian cotton growers for sustainable farming

Cotton Australia and farm insurer Achmea Australia have announced a new strategic alliance that recognizes cotton growers' contribution to a sustainable future for the Australian cotton industry. The new alliance will support cotton growers through an insurance reward for those who are certified through the Best Management Practices program (myBMP).

Cotton Australia's voluntary farm and environmental management program myBMP has resulted in widespread interest from across the cotton industry through providing tools for cotton farmers to develop safer farm workplaces and healthier natural environments, reduce input costs, keep pesticide use to a minimum, maximize water use efficiency, and protect and retain native animals and vegetation.

"The Australian cotton industry is well placed to take advantage of the demand for sustainably produced cotton through its focus on best practice and sustainability," Achmea said on its website.

Cotton Australia CEO Adam Kay said the new alliance provides a positive incentive for growers. "This new strategic alliance with Achmea recognizes sustainable risk mitigation practices and this will result in an insurance reward for cotton farmers who are fully certified in the myBMP program and are Achmea clients."

"By attaining certification in the myBMP program, growers can have confidence they are operating at the highest level and contributing to a more sustainable and resilient Australian cotton industry," Kay said.

Achmea CEO Emma Thomas said Achmea and Cotton Australia have a shared interest in helping cotton farmers to succeed.

"With a vision to protect and enhance agricultural communities, we see enormous value in working alongside the cotton industry to promote the importance of risk awareness and loss mitigation measures," Thomas said.

"Aligned with our purpose of keeping farmers farming, we are proud to support myBMP-certified growers because they are best practice-certified in workplace health and safety initiatives, thereby protecting their livelihoods," she added.

The insurance reward is a premium discount offered by Achmea for its All-in-One Farm Pack to eligible cotton farmers who are certified through the myBMP program.

BANGLADESH

Big apparel brands still need millions of Bangladesh's factory workers

Bangladesh is deep into its second month of a coronavirus lockdown that has shuttered schools, public transportation, and most workplaces. But thanks to lobbying by the country's garment manufacturers, millions of factory workers are still on the job every day — even though many have complained of pay cuts, late wages, and inadequate Covid protections.

Eight years after the notorious collapse of the Rana Plaza apparel manufacturing complex, which killed more than 1,100 people, Bangladesh's garment industry was supposed to be doing better. Following the incident, global apparel brands entered into safety agreements with local factories that made real progress. The only problem is that one accord expired in 2018 and the other is expected to end on May 31.

That timing couldn't be worse. With factories struggling to stay afloat because of falling apparel demand, and the government able to offer only limited support, garment workers are already shouldering significant economic uncertainty. Without help from the global brands and retailers that sell their handiwork, these workers could well lose the hard-earned health and safety improvements that the agreements guaranteed and face the risk of another disaster.

Bangladesh's garment-export economy is something of a modern miracle. In 1978, the country was primarily agricultural; its garment industry amounted to nine factories and about $1 million in export revenue. Over the next 30 years, a combination of savvy entrepreneurship, favorable trade agreements, and cost-conscious foreign retailers proved transformative.

By 2020, annual garment exports were worth $33.6 billion, the country was home to more than 4,000 factories, and the industry employed some 4.4 million workers.

Underlying this success, however, were some ugly realities. At the time of the Rana Plaza collapse, the entry-level minimum wage was less than $40 a month, and workplaces were notoriously dangerous. In the eight years before the incident, more than 1,000 garment workers had been killed on the job. None of that seemed to make Bangladesh any less attractive to global apparel brands.

Rana Plaza which supplied clothes for top European brands changed everything. Consumers who had never questioned why their clothing prices declined steadily over the decades were forced to think twice.

The apparel industry, fearing a consumer revolt, rushed to find a fix. What it settled on were two agreements that set the terms for inspecting, repairing, and upgrading factories to reasonable safety standards.

The most successful was the Accord on Fire and Building Safety in Bangladesh, an agreement between unions and brands although not factories in which each side held equal seats in a governance body.

It required that brands assess whether their suppliers' factories meet health and safety standards, and make funds are available for any needed improvements (and for worker pay, if furloughs are required). Over its first five years, this arrangement produced more than 100,000 safety improvements in 1,500 factories.

As remarkable as that record was, though, the accord was only ever meant to be temporary. Exactly what should replace it has proved contentious. Hoping to create a sustainable system, both sides agreed last year to establish a new governance structure that included factory representatives, as well as a nonprofit to manage inspections and remediation.

CHINA

China's textile sector sees steady expansion

China's textile industry saw steady expansion in the first three months of the year, data from the Ministry of Industry and Information Technology (MIIT) showed.

The added value of textile firms with annual operating revenue of at least 20 million yuan ($3.09 million) rose by 20.3 percent year-on-year, according to the MIIT. The firms raked in 43.4 billion yuan worth of profits, surging by 93 percent from the same period last year. Their combined operating revenue expanded by 26.9 percent year-on-year to about 1.05 trillion yuan.

China's online retail sales of clothing products registered a year-on-year growth of 39.6 percent between January and March. Garment exports totaled $33.3 billion during the period, up by 47.7 percent year-on-year.

JAPAN

Japan's clothing industry emits 95 million tons of carbon dioxide a year, estimate shows

Emissions from clothing sold in Japan total over 95 million tons of carbon dioxide a year, with most of that total resulting from the manufacturing process overseas, a government estimate has shown.

The process of manufacturing and transporting clothes is estimated to produce 90.09 million tons of carbon dioxide, or 94.6% of the total, according to the Environment Ministry. Of the 819,000 tons of garments supplied to the Japanese market in 2020, 799,000 tons, or about 98%, were imported from overseas.

The remaining total of about 5 million tons is attributed mostly to the burning of unsold clothes and energy used for laundry. The first such estimate by the government finds that each item of clothing contributes around 25 kilograms of carbon dioxide, the ministry said.

The apparel industry accounts for 10% of global carbon emissions, according to a U.N. Environment Program report. Of the global emissions from the industry, Japanese apparel supply chains account for 4.5%, the Environment Ministry said.

The ministry last month launched a website to call on consumers to recycle more clothes while urging the fashion industry to work on new production processes to reduce carbon emissions.

A total of about 510,000 tons of clothes were disposed of in Japan last year without being recycled or reused, according to the ministry.

Prime Minister Yoshihide Suga in late April revealed a new goal of cutting greenhouse gas emissions by 46% by fiscal 2030 from fiscal 2013 levels during a climate summit hosted by U.S. President Joe Biden.

In line with the new pledge, the ministry now hopes to raise awareness of the environmental impact of the textile industry, including carbon dioxide emissions and water pollution.

"Through providing the information online, we hope consumers know more about the environmental damage from their clothing items and think about recycling before throwing away," a ministry official said.

TANZANIA

Tanzanian govt to support the development of textile & garment industries

The Tanzanian government will mobilize the development of the textile and garment industries as it works towards improving the ease of doing business in the country. The ministry of industry and trade is in the process of consulting stakeholders from various industries to review 22 laws and implement regulatory reforms for improving the business environment.

In the budget for the financial year 2021-22 announced last week, the Tanzanian government amended two laws through the Finance Act of 2020 and is in the process of introducing the Trade Remedies Act of 2021 to protect local businesses, control importation of products, and market distortion by subsidized products which come to the local market at lower prices.

The proposed law has already been submitted to the government for further action, Tanzanian media reports said quoting industry and trade minister Kitila Mkumbo.

The government of the country is looking to improve the policies and laws to create a conducive business environment. It will also cooperate with businesses to create a market for the local products, Mkumbo said.

Tanzania has also scrapped over 232 taxes, fees, levies to reduce the time and costs for securing licenses and permits to do business in the country, the minister added.

The news comes on the heels of President Samia Suluhu Hassan's suggestions to ministers and government officials to improve the ease of doing business in Tanzania and amend laws that hindered investments.

UNITED KINGDOM

UK textile & footwear online sales grew 10.9% MoM in March 2021

Online spending in the UK increased by 0.6 percent MoM in March 2021, with strong growth in textile, clothing, and footwear stores of 10.9 percent. This was the largest monthly growth in the sector since June 2020 with feedback from retailers suggesting that the upcoming easing of coronavirus restrictions had prompted consumers to update their wardrobes.

The proportion spent online decreased to 34.7 percent in March 2021, down from 36.2 percent in February 2021 but still above the 23.1 percent reported in March 2020, according to the report released by the Office for National Statistics (ONS). The value of online spending did increase in March, but spending in-store increased at a faster rate.

Retail sales volumes continued to recover in March 2021, with an increase of 5.4 percent when compared with the previous month reflecting the effect of the easing of restrictions on consumer spending. Sales were 1.6 percent higher than February 2020 before the impact of the coronavirus pandemic, the report said.

Despite strong March figures, retail sales in the UK for the first quarter have been subdued overall. In the three months to March 2021, retail sales volume fell by 5.8 percent when compared with the previous three months, with strong declines in both clothing stores and other non-food stores as a result of the tighter lockdown restrictions in place.

Total retail sales levels for both the amount spent and quantity bought were lower than pre-pandemic levels in both January and February 2021. However, March marked a return to sales levels higher than those witnessed in February 2020, before the pandemic began, despite continued restrictions to non-essential retail, as per ONS.

VIETNAM

Vietnam Textile Industry wants covid priority

The worsening pandemic situation in the industrial zones is a big concern for enterprises and their workers, he added. The number of infected workers was 466, including 369 in the northern province of Bac Giang, according to the Vietnam General Confederation of Labor. Bac Giang yesterday decided to shut down four industrial parks, Van Trung, Quang Chau, Dinh Tram in Viet Yen District, and Song Khe Noi Hoang in Yen Dung District.

Nguyen Van Thoi, chairman of apparel manufacturer TNG Investment and Trading JSC, which employs over 16,000 workers in Thai Nguyen Province, said the company has earmarked funds to buy vaccines for its workers and wants the government to connect it with suppliers. It has also strengthened Covid prevention measures by ensuring social distancing in its factory in Thai Nguyen and telling employees coming from the two severely affected provinces of Bac Giang and Bac Ninh to temporarily stay at home.

The chief of a textile firm in Hung Yen Province, who sought anonymity, said the government should accept funding from other sources to buy the vaccines.

Textile and garment exports rose 9% year-on-year to over USD 9.5b in the first four months of 2021, according to the Ministry of Industry and Trade, which attributed the rise to the revival in some main export markets and free trade agreements. Vietnam has nearly 400 industrial parks, 30 border gate economic zones, and 20 coastal economic zones, which employ nearly four million workers.◆