



## Textiles

**A** series of market reports from Europe, Asia and the USA ensured that trading conditions were amply reflected during the latest BIR textiles division meeting. At the same time, delegates – and particularly exporters – were left in no doubt as to the importance of challenging ‘unjustified’ negative publicity surrounding the used clothing trade.

Immediate action was required to counter claims that a ‘hidden’ used clothing industry was ‘largely responsible for the demise of textile production in some parts of Africa’, it was

asserted by the BIR textiles division’s general delegate Alan Wheeler at its meeting in Dubai.

Although this ‘unjustifiable negative publicity’ amounted to nothing but ‘a red herring’, Wheeler emphasised the importance of challenging it. The East African Community (EAC) intergovernmental organisation – comprising Burundi, Kenya, Rwanda, Tanzania and Uganda – was already pondering a ban on imports of used clothes, shoes and other leather products from outside the region. And with the matter scheduled to be discussed at an EAC summit later this year, ‘the international textile recycling industry needs to act now’, he

insisted. ‘Through the BIR, we need to actively lobby the EAC, to explain to them why banning imports of used clothing will do nothing to help textile production and will jeopardise employment prospects for millions of people in the region and the economy as a whole.’

### ‘Clear vision’

The president of the BIR textiles division, Mehdi Zerroug of Framimex in France, confirmed that efforts would be made to lobby on the points raised by Wheeler. The industry had a responsibility ‘to give a clear vision of textiles recycling’ so as to ensure the removal of import bans, as well as to encourage ‘open markets’, the ‘fluid movement of goods’ and new product development. ‘With nearly 60% reuse produced after sorting,’ he said, ‘our industry is exemplary from the hierarchy of treatment mode point of view.’

Zerroug’s report on the French market credited the Euro’s relative weakness of late with maintaining a constant flow of deliveries for Eurozone sorters at stable prices; however, he described global demand for used clothing as ‘morose’. In his report for Italy, Sauro Ballerini also contended that a weaker Euro had helped to stabilise the market in the second quarter of 2015.

On the other side of the currency equation, the pound had attained a

seven-year high against the Euro, Wheeler reported in his role as representative of the UK Textile Recycling Association. As a result, UK clothing exporters had been forced to drop their selling prices and reduce their payments to charity shops and local authorities.

### No profit from grading

The quality of originals was worsening in Japan and only around 40% was suitable for second-hand clothing and 20% as wiper grade, it was noted in a market analysis submitted by Osamu Shoji of Shoji & Co. ‘One of the main reasons is that people are selling good-quality clothing at second-hand shops and sending the remaining lower-quality items to charities,’ he wrote. In his Far East report, he pointed to falling volumes of originals and said prices had risen to a point where ‘we cannot get any profit from grading’.

The US market insight submitted by Eric Stubin of Trans-Americas Textile Recycling suggested that the outlook for most companies remained ‘challenging’.

## Mounting wage bill tests Asia’s recyclers



Nohar Nath.

In the late 1990s and early 2000s, labour cost advantages had triggered a ‘dramatic shift’ in used textiles sorting and grading from Europe and North America to Asia. However, wages had increased ‘drastically’ in many parts of Asia over recent years, ‘thereby putting a question mark over the future viability of this business’, stated the BIR textiles division’s guest speaker in Dubai.

‘Until about 20 years ago, Japan was the only Asian country involved in grading/sorting, but today this

is done in large volumes in more than 15 countries,’ stated Nohar Nath, executive director of the Kishco Group in India. But having noted that China, South Korea, Taiwan, Pakistan and the UAE each boasted more than 50 grading/sorting companies, he pointed out that labour costs had risen, typically, from US\$ 2 per day to nearer US\$ 10 during the last three or four years.

Nath also identified high import duties, volatile freight costs and licence requirements among other barriers to the recycling of used clothing in Asia. In the case of India, he noted, no licences had been issued for 13 years because used clothing grading/sorting was perceived to be ‘a health hazard’.



Alan Wheeler: we need to act now.



Mehdi Zerroug: global demand for used clothing is ‘morose’.