



INTERNATIONAL
FASHION BUSINESS EXCHANGE
COUNCIL



Discussion Report

Bridging East and West : India a Confluence of Global Fashion and Textile Industry and the way forward

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Transparency & Standards

Regularize Transparency Fundamentals

Establish clear guidelines for transparency in textile production, such as standardized blending percentages and other critical information, to help consumers and manufacturers make informed, sustainable choices.

Harmonize Certification Systems

Standardize sustainability certifications across the textile industry and launch coordinated promotional campaigns on social media to educate stakeholders about these certifications.

Green Certifications as Mandate

Make green certifications mandatory, and establish a "carrot and stick" approach by incentivizing companies that adopt sustainable practices and imposing penalties for non-compliance. Encourage the creation of green factories or centers.

Domestic certification

Certification programs and incentives for domestically produced Indian textiles, aimed at promoting sustainable practices, improving quality, and boosting domestic consumption.

Education & Innovation

Expand Course Material on Alternative Textiles

Educational institutions should incorporate more content related to alternative textiles and sustainable practices into their curricula to prepare the next generation of professionals.

Focus on Research & Development

Prioritize research and development (R&D) in sustainable textile production, including innovations in recycling technologies and alternative materials.

Sustainable Production & Supply Chain

Farmer-to-Fabric Approach

Promote a comprehensive "Farmer to Fabric" model that emphasizes sustainable practices at every stage of the supply chain, from agriculture to finished textile products.

Component-Based Clusters for Organized Production

Establish component-based clusters to organize textile production, with a focus on improving collaboration among producers, manufacturers, and recyclers.

Consolidation of Stakeholders

Create a more cohesive ecosystem by consolidating producers, manufacturers, and recyclers. Form clusters to streamline efforts and optimize resource use.

Penalties for Overproduction

Implement higher penalties or taxation for excessive production to encourage adherence to sustainability targets, with a goal of achieving net-zero emissions.

Market Development

Explore Global South as a Market

Shift focus from traditional markets like Europe and the US to emerging markets in the Global South, which are increasingly open to sustainable and alternative textiles.”

Promote Sustainable Textiles via E-commerce

Leverage e-commerce platforms to promote sustainable and alternative textiles, ensuring that consumers can easily access eco-friendly products.

Waste Management & Circular Economy

Policies for Post-Consumer Textile Waste

Enact policies that promote the recycling of post-consumer textile waste, providing recognition and incentives for recyclers.

Timelines for Textile-to-Textile Recycling

Attach a clear timeline to the implementation of policies supporting textile-to-textile recycling or the use of alternative textiles, ensuring progress is measurable and timely.

Incentives & Recognition

Incentivize Sustainable Fashion

Introduce a system where companies or individuals adhering to sustainable fashion practices are given official recognition or status by the government or industry leaders, accompanied by incentives.

Green Rating for Infrastructure

Introduce green ratings for existing infrastructure & provide incentives for establishing green hubs in the textile sector.

Traceability & Modernization

Tech-Driven Traceability at Government Level

Develop traceability systems, driven by technology, at the government level to monitor sustainability practices throughout the textile supply chain.

Modernize Outdated Infrastructure

Invest in the modernization of outdated textile manufacturing infrastructure to increase efficiency, reduce waste, and support sustainable production.

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Here are some policy recommendations addressing the various aspects mentioned above, which could help in the evolution of industries, especially in sectors like textiles, manufacturing, and sustainable development:

1. Incentivise and Highlight Subsidies

Recommendation: Governments should create clear, targeted subsidy programs to incentivize industries to adopt sustainable practices and innovations. These subsidies can be directed toward key areas such as R&D in sustainable materials, clean energy adoption, or circular economy initiatives. To maximize impact, policies should include:

- **Tax credits for green technology adoption:** Offer tax rebates or credits for companies adopting sustainable processes, like water recycling, renewable energy use, and low-carbon technologies.
- **Subsidies for sustainable raw materials:** Provide direct financial support or tax incentives for industries using sustainable raw materials, such as organic cotton, hemp, or recycled fibers.
- **Public-private partnerships:** Encourage partnerships where public funds are used to match private investments in sustainable manufacturing, providing the incentive for industry players to invest in greener technologies.

2. Make Working Capital Easily Available

Recommendation: Access to working capital is crucial for the smooth functioning of industries, especially small and medium-sized enterprises (SMEs). To improve liquidity:

- **Low-interest loans and grants:** Implement government-backed low-interest loans or grants for companies, particularly SMEs, involved in sustainable practices or transitioning to greener operations.
- **Flexible payment terms for suppliers:** Work with financial institutions to provide more favorable lending terms or delayed payment options for suppliers who offer eco-friendly raw materials.
- **Simplified access to credit:** Streamline processes for accessing working capital, reducing the bureaucratic burden for small enterprises that may struggle to access traditional financing channels.

3. Industry Collaboration for Evolution

Recommendation: Foster collaboration between companies within the same industry to drive innovation, sustainability, and efficiency:

- **Industry-wide sustainability standards:** Develop industry-wide sustainability frameworks or standards that promote the sharing of best practices, common metrics, and transparent reporting on sustainability.

- **Innovation hubs and collaborative platforms:** Establish government-funded or private innovation hubs where businesses can collaborate on R&D to develop alternative fibers, green technologies, and new materials.
- **Sectoral alliances and forums:** Facilitate regular industry forums, roundtables, and think tanks, where companies can discuss challenges, share solutions, & create new partnerships for sustainable growth.

4. Infrastructure Modernisation and Upgradation

Recommendation: To improve efficiency and reduce environmental impact, significant investment is needed in infrastructure modernization:

- **Upgrade manufacturing plants:** Provide incentives for industries to modernize and retrofit their facilities with the latest energy-efficient technologies, automation systems, and pollution control mechanisms.
- **Promote smart factories:** Support the transition to Industry 4.0 technologies, such as IoT (Internet of Things), AI (Artificial Intelligence), and robotics, which can optimize production efficiency, reduce waste, and enhance sustainability.
- **Public investment in green infrastructure:** Governments should invest in green infrastructure, including sustainable energy grids, waste management systems, and eco-friendly transportation networks that enable industries to adopt low-carbon practices.

5. Promotion of Alternative Fabrics at the Industry Level

Recommendation: Industry-wide promotion of alternative fabrics and sustainable materials can be encouraged through:

- **Subsidy programs for alternative materials:** Offer financial incentives for industries to use and invest in alternative, eco-friendly fabrics such as hemp, bamboo, organic cotton, and recycled fibers.
- **Consumer education campaigns:** Launch industry-led campaigns to educate consumers about the benefits of sustainable fabrics and the importance of making eco-friendly choices.
- **Research and development funding:** Increase funding for R&D into the development of new and innovative materials, such as bio-based fibers and advanced textile recycling methods.

6. Policy to Use Natural or Alternative Fibre in Minimum Percentage

Recommendation: Governments can introduce policies that mandate or incentivize the use of natural or alternative fibers in the production of textiles:

- **Minimum fiber use mandate:** Introduce legislation that mandates a minimum percentage of natural fibers or alternative materials (e.g., recycled fibers, plant-based fibers) in specific textile products.
- **Tax breaks for sustainable fiber use:** Offer tax breaks or rebates to companies that meet a certain percentage of their product composition with sustainable or natural fibers.

- **Standards for sustainable textiles:** Develop certification standards for textiles made from natural or alternative fibers to allow consumers to easily identify eco-friendly products.
- **Promote circularity:** Policies that promote textile recycling and upcycling, ensuring that textiles made from natural fibers can be reused or reproce

7. Policy to Harmonize Certification Systems

Recommendation: Governments can introduce policies that mandate harmonized sustainability certification across the textile industry

- **Mandatory Green Certifications:** Make green certifications mandatory, implementing a "carrot and stick" approach with incentives for sustainable practices and penalties for non-compliance.
- **Domestic Certification Incentives:** Introduce certification programs and incentives for domestically produced Indian textiles to encourage sustainable practices, enhance quality, and boost local consumption.

Additional Supporting Policy Measures

- **Green procurement policies:** Governments can lead by example by adopting green procurement policies that prioritize textiles made from alternative fibers, ensuring that public sector contracts support the use of sustainable materials.
- **Carbon footprint labeling:** Introduce mandatory carbon footprint labeling on textiles, enabling consumers to make informed purchasing decisions based on the environmental impact of the products they buy.
- **International collaboration on standards:** Encourage international collaborations to harmonize standards for sustainable fabrics, allowing for easier market access and trade for businesses that adopt these practices.

Conclusion

Incentivizing sustainable practices across industries, especially in sectors like textiles, requires a multifaceted approach combining financial incentives, infrastructure investment, industry collaboration, and policy regulation. These measures would not only boost industry growth but also contribute to global environmental sustainability goals.