

# SUSTAINABLE TRADE AND GLOBAL VALUE CHAINS FOR TEXTILE PRODUCTS



**SUZHOU, CHINA** 

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### **1. Introduction**

China is the second largest economy in the world, and having positioned itself as an emerging economic power, it is gradually shifting its development focus towards sustainability. In doing so, the Chinese government has established a sustainable development framework, known as 'Ecological Civilization'. The concept has received unprecedented attention from high-level leadership in China, both at the central and local levels, and is also gaining recognition internationally. To tackle various developmental challenges, the Chinese government has expressed its interest and is committed to working with Partnership for Action on Green Economy (PAGE), starting at the provincial level in Jiangsu.

Jiangsu province is home to around 80 million people and is one of the most technologically advanced provinces in the country, with a strong natural resource base. To maintain its competitiveness and achieve inclusive development for its citizens, the province has committed to 'green' its economy.

With PAGE support, Jiangsu province aims to achieve two main objectives:

- 1. To identify and showcase successes and good practices at the policy, business, and sub-provincial levels to inspire other provinces and countries;
- 2. To identify and analyse major challenges to green economy policy implementation.

The textile industry is one of the pillar industries in Jiangsu and has played an important role in Jiangsu's economy, exports, industrial upgrading, as well as its transition to an inclusive green economy. Jiangsu is also one of the leading provinces in China in textile production and exports, taking up around 20% of total textile exports in China. The 'Development Plan for Textile Industry in Jiangsu', released in 2016, outlined the main focus areas for the development of the textile industry during the period of the 13<sup>th</sup> Five Year Plan. It highlighted the importance of green and sustainable development in the textile industry and the opportunities arising from upgrading the export structure while moving up along global value chains.

In response to this demand and based on discussions with national and local PAGE stakeholders, the United Nations Environment Programme (UN Environment), represented by its Environment and Trade Hub, and in collaboration with International Trade Centre (ITC) and Research Institute for Global Value Chains (RIGVC), initiated the project "Building Capacities for Sustainable Textile Trade and Global Value Chains in Jiangsu". This project aimed at assessing the current development of sustainable textile trade and value chains in Jiangsu, identifying knowledge and capacity gaps, as well as opportunities and challenges in improving the sustainability of textile trade and value chains in Jiangsu. The project also supported textile companies in Jiangsu to enhance awareness on sustainable trade and value chain upgrading, including international rules and regulations, consumer and market information, sustainability standards, tools and methodologies of managing sustainability along supply chains. This project will assist Jiangsu in its transition towards an inclusive green economy and in achieving its goals in industrial upgrading and green development as outlined in the province's 13<sup>th</sup> Five Year Plan.

Based on the baseline assessment and the targeted training held from September 12<sup>th</sup> to 13<sup>th</sup> 2017 in Suzhou city of Jiangsu Province, an action plan was developed for improving the sustainability of textile trade in Jiangsu. The action plan outlined the steps recommended to local textile companies and business associations, with guidelines for companies who are willing to take voluntary actions. Development of the action plan included actively engaging with local stakeholders, such as government policy makers, textile industrial associations, environmental NGOs and textile & apparel enterprises in Jiangsu.

The principal objectives of this action plan are to assist Jiangsu textile enterprises in adopting tools and methodologies for improving sustainability in trade and global value chains. Furthermore, the action plan establishes a framework for activities requiring co-operation among government, industrial associations, and textile enterprises in order to strengthen the capacity of implementing sound environmental management practices, promoting green production technologies and thus achieving the green development of textile industry in Jiangsu province.

## 2. Actions Recommended for Government Authorities

- Analyse the sustainable development trends in the textile & apparel industries in order to determine possible environmental stresses resulting from multiple demands on limited resources;
- Support research activities in sustainable production and environmental protection including relevant scientific and administrative research institutions;
- Promote green production projects, sustainable trade projects and environmental management trainings, in order to help enterprises meet sustainable standards and form a demonstration effect;
- Encourage relevant institutions to set up information centres or databases collecting information about green trade measures and environmental standards.

## **3. Actions Recommended for Industrial Associations**

- Establish an effective early warning system dealing with the update of green trade measures from foreign textile & apparel importers;
- Map out international regulations and standards related to textile products, based on the Standards Map developed by International Trade Centre (ITC) and the non-tariff measures database developed by United Nations Conference on Trade and Development (UNCTAD);
- Develop guidelines for complying with international environmental standards and specifications for textile products;
- Provide advisory services to textile companies in Jiangsu on improving sustainability along value chains, cleaner production and exploring the global market of sustainably certified textile products;

• Organize training programmes on sustainable trade and global value chains for textile products to support companies in identifying and harnessing green trade opportunities.

## 4. Actions Recommended for Textile Enterprises

#### For Sustainable Trade

- Improve the understanding of global value chains of textile products, green manufacturing, and sustainable trade;
- Actively adopt relevant environmental standards such as the ISO14000 environmental management certification system;
- Integrate Corporate Social Responsibility into business management;
- Develop sustainable textile and ecological apparel products that are harmless to the environment and human health throughout the whole value chain.

#### For Cleaner Production

- Apply cleaner production techniques and processes to textile production;
- Actively adopt technologies and systems to recycle cooling water, process water and waste water, recover condensate, as well as use heat from hot water, exhaust gas, and heating oil;
- Adopt sound management methods for the use of chemicals and raw materials to prevent pollution;
- Improve the knowledge and skills of workers on sustainably managing value chains, social and environmental responsibility, sustainability standards and pollution control.

#### For Pollution Control

- Consult the textile association on chemical use and international chemical standards for textile products;
- Monitor the existing and potential direct and indirect effects of poisonous or hazardous substances;
- Promote efficient sewage treatment technologies and adopt the centralized treatment of sewage by government as the primary strategy, with third-party sewage treatment plant acting as supplements.

#### For Energy Saving

- Improve awareness of energy-accounting systems for energy saving;
- Develop a co-operative programme for the implementation of appropriate technologies and practices for resources recycling, energy conservation, emission reduction and utility efficiency;
- Participate in relevant training in energy conservation and raise the awareness of energy conservation amongst employees.

## 5. Endorsing Organisations

Trade Development Bureau of Ministry of Commerce of China Suzhou Bureau of Commerce China National Textile and Apparel Council (CNTAC) China Association for Standardization (CAS) Natural Resources Defense Council (China Office) China National Cleaner Production Center (CNCPC) China Council for the Promotion of International Trade (CCPIT)

## 6. List of Participating Enterprises

No.	Enterprise Name	Location
1	远纺织染(苏州)有限公司	吴中
2	苏州万丽织造有限公司	
3	苏州市飞云时装有限公司	
4	苏州恒润进出口有限公司	姑苏
5	苏州恒生进出口有限公司	
6	苏州进出口集团	
7	苏州合祥纺织有限公司	相城
8	苏州创越纺织品有限公司	
9	苏州迪赛贸易有限公司的	
10	苏州艾得蒙服饰有限公司	
11	昆山华阳新材料股份有限公司	
12	盛虹科技股份有限公司	
13	江苏华佳控股集团有限公司司	
14	新申集团有限公司	
15	恒力集团	
16	吴江华联丝绸喷织厂	
17	苏州新民纺织有限公司	
18	吴江市万隆纺织有限公司	
19	苏州中涛纺织有限公司	
20	江苏聚杰微纤科技集团股份有限公司	
21	苏州莱升进出口有限公司	
22	立新集团有限公司	
23	张家港新东旭纺织印染有限公司	  
24	江苏巨鸿超细纤维制造有限公司	
25	苏州瑞海泽纺织科技有限公司	
26	张家港市沙洲纺织印染进出口有限公司	
27	张家港市华祥纺织印染有限公司	
28	张家港市恒宇针织品制造有限公司	
29	张家港中泰国贸纺织品有限公司	
30	江苏鹿港文化股份有限公司	
31	江苏国泰国际集团国贸股份有限公司	
32	江苏金辰针纺织有限公司	
33	常熟市波司登进出口有限公司	
34	常熟嘉恒国际贸易有限公司	
35	苏州市云鹰纺织品有限公司	
36	苏州亿倍智能清洁股份有限公司	
37	江苏新凯盛企业发展有限公司	