

 $\pmb{\mathsf{EMail}: \mathsf{secretariat@itmf.org} \cdot \mathsf{Web:} \, \textbf{www.itmf.org}}\\$ 

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After the Spring Festival Holidays approx. 90% of the Chinese textile industry have resumed production except for the Hubei Province. CNTAC is coordinating the efforts of around 1'000 companies to provide medical textiles needed to protect people from the corona virus.

### 2. ITMF/IAF Standard Convergence Initiative (SCI) presented at the OECD

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ITMF and IAF have presented their joint "Standard Convergence Initiative (SCI)" at the OECD. The SCI aims to reduce duplicative audits by aligning standards and by offering the SLCP-tool which reduces the need to compile data repeatedly. Progress is visible. One company was able to save 20 audits in 2019. But more can and should be done.



#### **International Textile Manufacturers Federation**

Wiedingstrasse 9, CH - 8055 Zürich, Switzerland Tel: (+41-44) 283 63 80 · Fax: (+41-44) 283 63 89 EMail: secretariat@itmf.org · Web: www.itmf.org

## 1. CORONA VIRUS AND THE CHINESE TEXTILE INDUSTRY

By China National Textile & Apparel Council (CNTAC)

People at CNTAC and its affiliated associations have restarted to work on February 3<sup>rd</sup>, 2020. Businesses outside the Hubei Province are resuming operation in an orderly manner. It can be expected that more positive and encouraging news will be released to people all over the world. What we urgently need at present are medical textiles, such as masks, protective suits and safety goggles.

Since February 10, millions of people in China have headed back to work after an extended holiday. Workers in the textile industry are no exception. For example, on Monday, over 13,000 workers at Luthai in the Province of Shandong and nearly 10,000 employees at Esquel's production site in the Province of Guangzhou returned to work, with a rework rate of more than 90%. Most enterprises in the field of medical textiles have started production as early as the Spring Festival. All above actions and facts have brought together the efforts and wisdom of textile people in China. Hence, we are fully confident that the outbreak will not change the fundamentals of China's economy, which will remain sound in the long run.

Facing the outbreak, CNTAC and its affiliated associations have comprehensively sorted out nearly 1'000 enterprises producing medical textiles and its key raw materials manufacturers in China. Under the active call of CNTAC, all backbone enterprises have been fully engaged in production during the Spring Festival holiday, which effectively guaranteed the supply of medical textiles in our country. Our efforts and work have been fully affirmed by Mr. Liu He, Vice Premier of the State Council, our government departments such as the NDRC, the MIIT, etc.

We highly appreciate the words of support from ITMF and its members. It could be completely believed that our country and our people, our industry and our enterprises will emerge stronger from the outbreak and achieve even more sustainable development.

# 2. ITMF/IAF Standard Convergence Initiative (SCI) PRESENTED AT THE OECD

By Peter Gnägi, ITMF Board Member

From February 11-14, 2020, Matthijs Crietee (IAF), Karim Shafei (Gherzi/ITMF), Christian Schindler, and I have attended the OECD-Meeting in Paris on "<u>Due Diligence in the Garment and Footwear Sector</u>". The <u>OECD</u> (<u>Organization for Economic Cooperation and Development</u>) is a multinational organization. Its members are basically industrialized countries around the world. Russia is a candidate. China and India are partners for enhanced co-operation. It has no legal power, but their recommendations can (and did) serve for national legislation.

The ITMF/IAF "Standard Convergence Initiative (SCI)" (within ITMF formerly referred to as "Audit Fatigue Initiative") was part of the official agenda of the OECD-Meeting. We could present our targets, findings and progress in several meetings. Our report was well received.

Furthermore, our presence as one of the few industrial representatives in a meeting which is heavily dominated by government and non-governmental organizations (NGOs), provided ITMF and IAF with visibility.

The target of our "Standard Convergence Initiative (SCI)" is to reduce the number of duplicative audits and to convergence standards. Within the "Standard Convergence Initiative (SCI)", the SLCP is an integral part. At the ITMF Annual Conference 2019 in Porto, Portugal the progress of the <u>Social Labor Convergence Program (SLCP)</u> was presented by a brand (Nike), by a producer (Yesim) and by SLCP. For the presentation in Porto click <u>here</u>.

figure1: SLCP Operations 2019 Achievements







Source: SLCP

In the last ITMF Newsletter No. 44 (January 2020), Christian Schindler had written a progress report on **SLCP**. In summary, since the start of the roll-out in August 2019, 819 facilities are in the gateway (database) of SLCP. 297 of them are verified (data correct!). To make the potential of the SLCP visible, it is noteworthy that one producer was able to save 20 audits during the year 2019, and this despite the fact that only a quarter of this apparel company's customers could work with the SLCP tool because it is not yet available in all apparel and home textile producing countries.

We are convinced that SLCP and the "Standard Convergence Initiative (SCI)" will save cost and time for our members in the field of social compliance and will enhances the visibility and influence of ITMF on an international level.