



IGUALADA DECLARATION

Igualada, 8th July 2005

At the XIII General Assembly meeting in Igualada, the European Textile Collectivities Association, ACTE, solemnly approved the following declaration:

Over the past 12 months we have witnessed a number of events which have placed the textile sector at the forefront of European news.

The most significant of these events was the definitive liberalisation of the sector on 1 January 2005, leading to a mass influx of products, principally originating from China, to Europe, and consequently worsened the crisis in part of the European textile production.

The massive influx of products from China, which has been even greater than predicted, led the European Commissioner for External Trade, the British Peter Mandelson, to negotiate an agreement with the Chinese Minister of Trade in order to establish a limited growth in imports on a number of textile articles until 31 December 2007. However, this is not sufficient, and the European Union must be prepared to reopen negotiations should circumstances require.

As a result of these events, over recent months we have heard, seen and read nothing but negative news, often catastrophic, and on occasions apocalyptic, relating to the sector. As a result, this has created a worse tendency to pessimism, which from the textile territories perspective can only be viewed with great concern.

Furthermore, ACTE has participated in the High Level Group for Textiles, to strengthen the need for the sector to fight against unfair competition and defend the identity of European production, which meets all conditions established under the main labour and environmental rules.

Since the Biella Declaration, ACTE has worked across the whole of Europe at every level (community, national, regional and local) with the players of the sector following a very specific line: to promote processes of strategic planning in the textile territories which help to plan the future of the sector and also for the territory as a whole in order to face the crisis which affects a significant part of its production.

Successful examples of the **Local Strategic Textile Plans** can be found in Tuscany in Italy, Nord Pas de Calais in France, Nottingham in the UK or Hainaut in Belgium. Recently, nine regions in Spain have joined with their plans and in the near future these processes will also be initiated in Portugal.

ACTE would therefore like to reiterate that the textile and clothing sector is **a sector with a future.**

However, in order to achieve this, the sector must be able to compete under equal conditions with third world countries regarding the international trade rules, established within the framework of the World Trade Organisation.

As is the case of any business sector, textiles and clothing group together a wide range of businesses, some with little added value in a globalised world, others with the very latest in technology and enormous potential for development. However, the reiteration of negative messages is extremely damaging to the image of the sector as a whole, to the extent that it is even difficult to fill our technical schools, obtain credit or finance facilities or to reach strategic agreements with other sectors.

With the implementation of strategic planning, the different territories would like to turn this issue around and stress the existing opportunities: technical textiles, brand names, and even the opening of the Chinese market, which has an incipient (and highly numerous) middle-upper class population interested in purchasing European quality products, etc.

In order to take advantage of these opportunities, businesses, which until now have failed to do so, need to face the necessary change in the production model in order to be more competitive in the global market. We already know the key to success: more dimension, more innovation and more internationalisation.

During this change to the production model, there will be winners and losers, because the transformation of the companies in the sector will undoubtedly result in a change in dimension: fewer companies, but larger and more competitive. Fewer employees, but better qualified and with a better job position. It is at this point that the regions, in which companies and people are located, must work the hardest, in order to be in a position to offer alternatives to promote new activities and new workplaces, with better future prospects.

Given the current outlook, ACTE proposes to **achieve the following objectives:**

Regarding international trade:

- To promote and define a proposal for the introduction of an obligatory origin label to ensure the traceability of textile products, as set out in the appendix document entitled "Made in Manifesto".
- To promote the fight against counterfeits, economic, social and ecological "dumping", and to defend intellectual property rights, favouring a process of global and sustainable development, utterly opposed to the forms of unfair competition on the market.
- To reiterate our support for a Euro Mediterranean free trade area, which would allow this economic area to compete under better conditions with other parts of the globe.
- To monitor the imports of products from third countries, in particular from China, in terms of those products not covered by the recent agreement between the European Union and China. So that, if the necessary conditions of the World Trade Organisation are met, it may be possible to consider asking for the activation of safeguarding clauses, and to closely watch the import controls in the Member States.

Regarding Industry Support Policies:

- To extend strategic planning processes to all member territories of the network, and to find necessary support on both a national and European level for their implementation.
- To combine the measures proposed in those strategic plans which may be suitable to finance and put into practice within three years.
- To develop policies for the competitiveness of the textile and clothing industry, via the promotion of integrated programmes for investment in research, technological, organisational and commercial innovation.
- To strongly and continuously lobby the European Institutions so that, the until now uncertain future of the Structural Funds, will cover the needs of the textile and clothing sector and the regions in the areas of competitiveness, relocation of excessive human resources and promotion of alternative sectors.
- To bind these objectives by specific national and European programmes and 2 and 5 % respectively, of the Structural Funds, should be reserved for the future convergence and competitiveness objectives for situations caused by the closure of companies in those territories of the Union.

Therefore, and in order to reaffirm our commitment to all the above points, all member institutions of ACTE resolve to pass this declaration for approval to the local institutions and /or government bodies.

TRANSPARENCY AND TRACEABILITY

Made In Manifesto

We call for the European Union to introduce a “Made In” label for all products which circulate within Europe and that show their country of origin.

The “Made in” has been compulsory in the United States since 1930, in Japan since 1962 and even in China since 2005, whereas the European Union is the only market without such a requirement.

The indication of the country in which the main stages of production have been made, provides the consumer with direct information in respect of fundamental labour and environmental standards of the products.

Without the compulsory “Made in”, European citizens will be concerned: on one hand as consumers because they cannot distinguish between and thus choose and evaluate the price of the products. On the other hand as entrepreneurs and employees because they do not have the ability to demonstrate that the products have been produced within the national legislation of each European country.

In European countries, each percentage of loss in the manufacturing sector corresponds to the loss of jobs and the production of domestic wealth.

Without the compulsory “Made in” the commercial regulations, which mislead the consumer about the original country of origin, will persist.

Without the compulsory “Made in” European countries will remain without a legal basis to react effectively against fraud and counterfeit.

Without the compulsory “Made in” the European market will continue to be less transparent and the European industry will have to keep on fighting under unequal conditions against unfair competition.