

The future of the textile and clothing industry after 2005

2004/2265(INI) - 13/10/2004 - Non-legislative basic document

PURPOSE : to improve the framework enabling competition in the textile and clothing industry.

CONTEXT : the economic situation of the textiles and clothing sector in the EU continues to be difficult. After substantial falls in production and employment in the past three years, it is estimated that in 2003 production fell by a further 4.4% and employment by 7.1% (EU-25, source: Eurostat). This is due to a complex combination of factors. First, the sector has felt the full impact of the economic slowdown in the EU and in its major export markets. Second, the evolution of the US-dollar and Euro exchange rate has continued to have a negative impact on the price competitiveness of several

types of product. And, finally, the development of the Euro-Med Zone and preparations for the new economic realities post 2005 in the wake of quota elimination, has led to further relocation of production within and outside the EU-25.

CONTENT : with a view to eliminating quotas on the 1 January 2005 and following the report from the High Level Group for textiles and clothing, the Commission is proposing a series of actions in order to :

- stimulate research and innovation : the Commission should react positively to the proposal to consider setting up a European Technology Platform, to draw up and implement a strategic research agenda, whilst stressing the need for clear stakeholder commitment to lead and follow through such an initiative;
- improve social dialogue : the Commission recognises the importance of social dialogue as a driving force behind successful economic and social reforms and will continue to promote it.

In addition, as far as education and vocational training is concerned, the Commission can agree with the High Level Group's analysis of a need for a Europe-wide lifelong training strategy for the sector and to ensure a better match between supply and demand for training;

- examine the impact of the proposed new chemicals policy (REACH) on this sector is being closely examined by the Commission and, in co-operation with the textile and clothing industry, it is launching an impact assessment study on the potential impacts of REACH on the textile industry and its chemical suppliers. The results of this study are expected to be available by mid-2005;
- examine the area of intellectual property rights (IPR) : the Commission acknowledges the importance of improving the protection of rights and their enforcement in third countries, and to raise right holders' awareness of counterfeiting and the risks involved. The High Level Group calls for effective awareness raising activities, education of right-holders and for the provision of appropriate tools to combat counterfeiting and piracy.
- encourage the conclusion of agreements between partners in the Euro-Med zone and to strengthen the cooperation with China.

Lastly, the actions foreseen in the areas of research, education and training, and trade policy meet the competitiveness challenges faced by the EU textiles and clothing sector. However, the actions in the areas of research, education, training and employment in particular, need to be complemented by adequate support at national and regional levels to further the same competitiveness factors.

