Insight

Textile sector looks for comprehensive COP 21 deal as climate talks get under way

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30 November 2015

As global climate change talks began today (30 November) in Paris, textile industry leaders have said that a global agreement to cut carbon emissions could greatly benefit the European textile sector and the industry worldwide. However, crucially, any new pollution caps would have to be applied globally for this to happen.

"We welcome an agreement, but only if manufacturers all over the world follow the agreed rules," said Francesco Marchi, director general of Euratex, the European clothing and textile confederation. "The agreement can reach effective results only if there are no exceptions among countries and sectors. The problem is if there is leeway or there are exceptions. Then it becomes a big problem."

The 12-day conference – formally the 21st session of the Conference of the Parties (COP) to the UN Framework Convention on Climate Change – UNFCCC (or COP 21), is billed as the most important climate meeting since the Kyoto Protocol was agreed in 1997. In Paris, 196 countries are meeting to sign a new climate change agreement. Unlike previous conventions that have failed to produce a significant deal, the world's major economies, including the US, have made it clear they intend to secure an agreement to spark ambitious action.

This is expected to include a strong legal framework, a central role for equity, public finance for adaptation and low carbon transition. The outcome will most likely lay out a clear roadmap for climate change mitigation, climate finance, energy taxes, fossil fuel subsidies and the economic costs of climate change action. While the Paris discussions are not sectorial, the final agreement could have significant implications for the textile industry.

It is expected to produce a binding agreement to try and limit warming at two degrees Celsius above pre-industrial levels. Euratex's Marchi also called for a monitoring system to ensure that all countries follow the provisions of the expected agreement later this month. "We welcome China's efforts to reduce emissions, but we want to see real action taken," he said. "If only the EU and few other players take effective measures to reach the target it will still not bring the expected results. Climate change is a global problem and all major economies should commit to taking responsibilities to tackle the problem we are facing," he said.

Marchi said Europe's 172,000 textile-based small-and-medium sized enterprises (SMEs) would benefit from incentives and targets to cut energy use. "We launched an information campaign entitled Energy Made-to-Measure in Textile and Clothing Industry in 2014 to make our companies realise the cost benefits from energy efficient manufacturing. Energy is a cost, and they are trying to optimise efficiency."

One possible result of a global CO_2 emission-cutting agreement could be the reinforcement of the "near-to-consumer" production trend. This would help to re-attract production in Europe or nearby, Marchi suggests, if companies were incentivised to cut freight miles and related emissions. He doubted this would negatively affect the industries of Bangladesh or China, however. "We know that consumption in the Far East is expected to increase strongly," he said. "Companies exporting to Europe will find other ways to sell their products in their region."

Governments are expected to implement a raft of carbon-cutting measures, such as establishing emissions trading systems, phasing out fossil-fuel subsidies, raising carbon taxes or incentivising less-polluting action. This is likely to have an impact on the global textile industry which, according to the US Energy Information Administration, is estimated to use 1,074 billion kWh of electricity, 132 million tonnes of coal-a-year, and is the fifth largest contributor to CO_2 emissions in the US.

Structural reform of the EU's Emissions Trading System (ETS) is expected to be galvanised by the talks in Paris, and a spokesperson for the UNFCCC said that the textile sector was under discussion, though only plants above a certain size might be considered for inclusion in formal emissions trading schemes.

India and China, with their large textile bases, are thought to be resistant to significant carbon emissions cuts at this stage, but China has pledged to peak carbon emissions by 2030 at the latest. Rajinder Gupta, chairman of India's Trident group, one of the largest yarn spinners in India, recently told China-based CCF Consultants in a report that the Indian textile industry saw the benefits of modernising and greater efficiency. "Everyone's focus is going to be on lesser input costs, less wastage," he said.