Briefing on ongoing work on circular economy-circularity in other sectors:

Circular economy, trade & sustainable development in the textiles and clothing sector

11 May 2023
TESSD, WTO, Switzerland

TESSD Working Group on Circular Economy – Circularity
Circular economy and sustainability challenges

The ‘fast fashion’ phenomenon

- Global production has almost doubled over the past 15 years, driven by increased sales in more advanced economies and rising demand from a growing middle-class in developing countries.
- During the same period, the number of times a garment is worn before being discarded has decreased by 36%.
- Less than 1% of the material used to produce clothing recycled into new clothing. A large proportion ends up dumped on landfills, polluting water and soils.

Sustainability challenges

- **Economic**: Key source of growth & export revenue for many developing countries (e.g., cotton & synthetic fibers & manufacturing of textiles) but downward pressure on prices in global supply chains
- **Social**: 300 million people employed but high risks of exploitation, underpayment, forced labor, health risks and abuse, particularly for women.
- **Water**: 215 trillion liters of water per year for production of fibers, bleaching, dyeing & finishing.
- **Land**: Cotton production accounts for 16% and 4% of global pesticides and fertilizers use, despite occupying only 2.5% of arable land.
- **Climate**: Wet processing, synthetic fiber production and laundring represent 8% of global GHGs.
- **Pollution**: Use of toxic chemicals affecting workers and drinking water. The sector accounts for 9% of annual microplastics released in the oceans.
Can we add something on high share of waste where some clothes are never sold or used at all by major retail chains.

In bullet 2 of column 1?
Selected aspects of a transition to a more circular textiles sector across full life cycle

- **Narrowing resource flows**
  - A shift towards safe, recycled, or renewable inputs:
    - Sustainably sourced cotton & wood-based fibers,
    - Low-energy, low-water, & nature-positive production methods,
    - A significant reduction in the use of virgin non-renewable materials.

- **Slowing resource loops**
  - Keep textiles in use for a longer time:
    - Eco-design requirements & production of long-lasting, repairable textiles;
    - Second-hand use;
    - New service models such as clothing rental.

- **Closing resource loops**
  - More post-use options, along with drastically improved, environmentally sound recycling systems & technologies when materials reach their end-of-life.
I think it is important to throw full life cycle issue into there somewhere.
Carolyn Deere, 2023-05-10T04:30:02.735

And important to say this is just some of key elements, focusing on what the circular economy goals are (not necessarily the wider sustainability goals...just to reference that there are many different ways of seeing the sustainability issues.
Carolyn Deere, 2023-05-10T04:38:41.631

Not sure about term ‘narrowing’. Could it be ‘transforming’?
Carolyn Deere, 2023-05-10T04:31:00.358

I added systems so that it is about environmentally sound recycling (big issue)...and systems as well as technologies...
Carolyn Deere, 2023-05-10T04:37:15.347
Trade & sustainable development dimensions to a circular transition in textiles and clothing

- 4 percent of world exports, representing a critical share of developing country exports (more than 50% for Cambodia, Pakistan or Benin, up to 80% in Lesotho and Bangladesh).
- International supply chains, footloose investments & short-term, unpredictable contracts
- Developing countries confined to low value-added segments (raw material, labor-intensive tasks), & developed countries responsible for design, marketing and higher value-added activities
- Trade in second-hand textiles raises critical challenges for developing countries (next slide)
- Trade impacts of new CE requirements: extended producer responsibility, eco-design policies, circular procurement, standards & regulations, traceability. Impacts vary depending on:
  - Extent to which countries produce & export clothing made of natural or synthetic fibers,
  - Ability to manage inputs used & post-industrial waste, access technologies & establish env. sound recycling facilities.

Key trade-related issues & challenges

- Supply chain traceability
- Differences in requirements, standards, etc.
- Product vs process approaches to circularity
- Positive vs negative incentives to meet sustainability criteria
- Concerns about impact of trade in second-hand textiles
Suggest deleting the line in blue here. I added it to the bullets below. Could we instead add a second bullet or note somewhere after 4 percent of world exports...that this is a sector that relies heavily on international supply chains, where developing countries and MSMEs have limited bargaining power on prices.
Carolyn Deere, 2023-05-10T04:20:53.686

Or something on competitive supply
Carolyn Deere, 2023-05-10T04:21:34.502

I tried something on that in bullet 2 so you might be able to delete bullet 4 as I added it into box and you have a final slide. I also added reference to full life cycle.
Carolyn Deere, 2023-05-10T04:26:13.869

I changed a number of ‘and’ to & to give you more space :)
Carolyn Deere, 2023-05-10T04:29:40.076

Do you want to add that it is growing sector (I assume it is) and growing trade?
Carolyn Deere, 2023-05-10T04:39:07.027

Added this to make to highlight concern for development dimensions.
Carolyn Deere, 2023-05-10T04:32:15.962

Added something on technologies...and instead of effective, changed to environmentally sound recycling.
Carolyn Deere, 2023-05-10T04:35:03.255

It would be good at the end to have a simple summary that there are many trade and trade policy challenges and issues to consider from circularity and sustainable development viewpoint and point here was just to highlight that it is a high impact sector worthy of further exploration.
Carolyn Deere, 2023-05-10T04:42:30.276
Exports or re-exports of second hand and used clothing to developing countries are raising significant concerns.

- A large proportion ends up dumped on landfills or open spaces, polluting water and soils in developing countries.
- Raises concerns of unfair competition with domestic producers (of inputs & final products)
- Limited facilities & investment for recycling or participation in remanufacture supply chains

Source: Chatham House circular economy trade data explorer, [https://circulareconomy.earth/trade](https://circulareconomy.earth/trade)