

## Apparel Sourcing: Is the China Plus One Model viable?



China Plus One has been on the companies' to-do list for several years now, but the shift in sourcing destination has occurred only on a small-scale. However, there is a high possibility of apparel sourcing shifting out of China in the next 5-10 years if other countries are able to develop capacities to match China's.

Undoubtedly, the cost advantage that once turned China into the world's factory for everything, has diminished over the last decade. It was because of factors such as rising labour and indirect costs, increasing environmental regulations, and the US-China trade war, global companies were prompted to look for cheaper alternatives.

However, the resultant sourcing shift occurred on a small-scale. It was industry specific, which meant that companies were majorly looking to complement rather than replace their sourcing from China. In short, it was an approach that embraced supply chain diversification—which was already on the to-do list of companies for

over a decade as they wanted to decrease the dependency of entire supply chain on just one country.

The main factors that have contributed to risk in complete sourcing dependency on China are related to:

**Tariffs and the trade war:** Implementation of higher tariffs by US for importers, which increased the cost of sourcing from China.

**IP rights:** There have been concerns with regards to theft of Intellectual Property rights.

**Wages:** The steadily rising labour cost in China has resulted in increase of price of goods.

**Labour:** Several organisations have raised their voice against the use of forced labour, particularly in the Xinjiang Uygur Autonomous Region (XUAR).

**Environment standards:** Europe and the US have lately accelerated the implementation of new environmental standards. As a result, goods manufactured in conditions that are considered as polluting the environment are not allowed to import in their territory.

**Lead time:** Lead time, or the time taken for goods to reach Western countries from China, is much higher compared to sourcing from Turkey, Caribbean and few countries in Latin America.

No.364 April, 2022

**Logistics:** The world has been a witness to several problems in recent years including the blockage of Suez Canal, non-availability of containers, and the increasing freight cost for air cargo.

**COVID-19 impact:** Operations were either closed or restricted at several shipping ports in China to curb the spread of the pandemic, resulting in delay in delivery of goods.

### **Sourcing and the pandemic**

During 2020 and 2021, the COVID-19 pandemic showed that all sourcing destinations are equally susceptible to disruption, prompting various companies to re-think, re-evaluate and change their strategies. Lockdowns were imposed everywhere, but not at the same time. While they were being lifted in few countries, they were being imposed in some other countries. This meant that sourcing from any one country was equally at risk as was depending only on China. This pushed global brands to diversify and their supply chain across few regions.

### **Continuing dominance of China**

China is on the top in each one of them. This means that even though companies wish to diversify their supply chains, their dependency on China is so high in terms of volumes that matching the same scale and output is next to impossible for other prospective sourcing destinations.

So, China Plus One is probably just a matter of complimenting the supply chain with a country in addition to China.

### **Likley Scenario**

Even though apparel and fashion companies have long talked about shifting their supply chains out of China, it has not materialised so far. It is because the dependency on China in terms of volume, variety, innovation, lead times, etc is so high that it is not easy to replace it. However, if other sourcing destinations can develop their textile and apparel industries to match that of China, there is a high possibility of production shifting out of China in 5-10 years from now.

### **Link**

<http://www.fibre2fashion.com/inindustry-article/9380/apparel-soucing-is-the-china-plus-one-model-vialble>

**Provided by Fibre 2 Fahison**

No.364 April, 2022

## Organic Fabrics Boosting the Indian Fashion Scene



CREDIT: Sandeep Sharma

India at its core has always used the most organic, culturally rich fabric and textiles. With rapidly approaching conscious change in the fashion industry, individuals are opting for more eco-friendly, long-lasting fabrics, which we would ideally say - going back to roots rather than following a new trend.

What is interesting is that designers or labels both new and established are dedicating themselves to this change, with JJ Vallaya launching an entire collection with TENCEL Luxe, a vegan replacement of silk to a new generation of designers that merge organic fabrics with interesting silhouettes in a way that appeals to discerning buyers.

There are many platforms now, that bridge the gap between the designers or brand owners and the manufacturers or artisans by offering the fabric of their choice in desired quantity and has also upped their game by offering customisation of fabric, you can

choose the amount of organic fibre and match it with other yarns and create your own.

### Organic Cotton

Organic cotton is the most natural fabric available at the moment. It is grown without any fertilisers or pesticides. Organic cotton has microbes-resistant power, softness, durability, strength, breathability, and many more great characteristics. Every time the fabric is washed with cold water it gets softer and softer while maintaining its quality of static. It is highly used for maternity clothes, baby clothes, mattress protectors, and more.

### Kala Cotton

The improvement of Kala cotton means a neutral carbon emission and less consumption of water. Farmers of Kutch prefer that their cotton is rain-fed, that is, eliminating the water used for irrigation purposes. The unique quality of the fabric is resilient to pests which gives it a royalty of applying less manure and artificial fertilisers. Furthermore, to keep the fabric sustainable, the limited application of fertilisers helps farmers have a secure environment to operate around.

No.365 April, 2022

## **Bamboo Fabric**

Bamboo is a plant that can consume carbon-di-oxide from trees. It does not need inputs and even can survive only on rainfall. It can easily be decomposed without even causing pollution and degrading the environment. Bamboo fibre can be used in making socks, bath suits, sanitary materials like masks, surgical cloths, and more. For households, you can use bamboo fibre for sofa covers, television covers, and more.

## **Organic-Linen**

Linen is grown out of a flax plant. It is resistant to pests and needs less fertiliser, wherein it can thrive without the process of irrigation. When to wear linen, summer, or winter? Mostly linen can be worn in winter but can also be sometimes worn in summer. Throughout summer you might require a light crop top made of linen or a palazzo pant of linen but when the weather turns cold you can style your wardrobe with a woollen cardigan over a linen t-shirt or pair a linen dress with a turtleneck underneath.

## **Soybean Cotton Fabric**

Fabric curators have introduced, for the first time, an exclusive range of sustainable soybean cotton fabrics. Extracted from soybean peels and stems, the fibres are processed with 100 per cent organic method and zero chemicals.

With a blend of cotton fibres, the fabric is great for both hot and cool climates and keeps moisture at bay even in humid weather. Smooth on the skin and a flowy fall, the fabric is ideal to get your own custom and conscious attires.

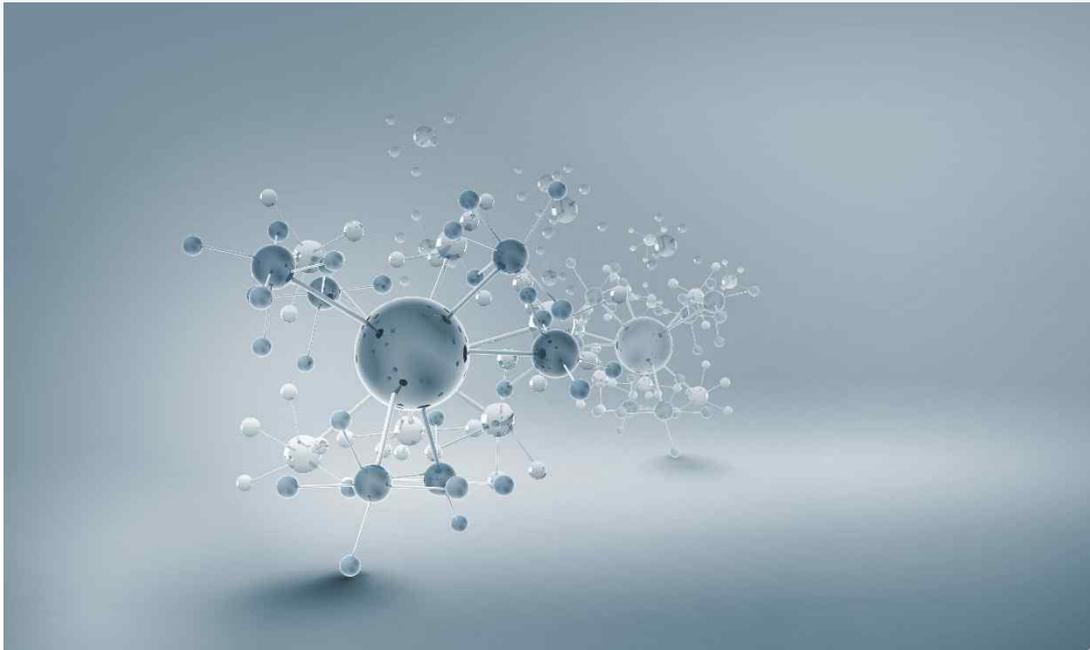
## **Link**

<https://www.fibre2fashion.com/industry-article/9374/organic-fabrics-boosting-the-indian-fashion-scene>

**Provided by Fibre2Fashion**

No.365 April, 2022

## European Commission adds five SVHCs to REACH authorisation list



The European Commission has added five SVHCs to REACH Annex XIV, the authorisation list, for their reprotoxic, carcinogenic or endocrine-disrupting properties.

The EU executive highlighted the substances in its draft amendment proposal last year, after an initial recommendation from Echa in 2019. They are:

- Tetraethyl Lead – used as an additive in aviation fuel, but has reprotoxic properties
- 4,4'-bis(dimethylamino)-4''-(methylamino)trityl alcohol with  $\geq 0.1\%$  of Michler's ketone or base – used in printing inks, but has carcinogenic properties
- Reaction products of 1,3,4-thiadiazolidine-2,5-dithione, formaldehyde and 4-heptylphenol, branched and linear (RP-HP) with  $\geq 0.1\%$  w/w 4-heptylphenol, branched and linear (4-Hbl) – used in lubricants and greases, but has endocrine-disrupting properties and impacts on the environment

No.366 April, 2022

- 2-ethylhexyl 10-ethyl-4,4-dioctyl-7-oxo-8-oxa-3,5-dithia-4-stannatetradecanoate (DOTE) – used as a stabiliser in polymers, but has reprotoxic properties
- Reaction mass of 2-ethylhexyl 10-ethyl-4,4-dioctyl-7-oxo-8-oxa-3,5-dithia-4-stannatetradecanoate and 2-ethylhexyl 10-thyl-4-[[2-[(2-ethylhexyl)oxy]-2-oxoethyl]thio]-4-octyl-7-oxo-8-oxa-3,5-dithia-4-stannatetradecanoate (reaction mass of DOTE and MOTE) – used as a stabiliser in polymers but has reprotoxic properties.

The amendment to Annex XIV will take effect on 28 April but, under transitional arrangements, industry will have until 1 November 2023 to apply for authorisation for their use.

Placing on the market and use of the five substances will then be prohibited from 1 May 2025 unless a company is granted an authorisation – with no exemptions or review periods envisaged at this stage.

Echa also expects to publish a report next week that will estimate the number of incoming applications, following this update to the authorisation list.

## **Bisphenols restriction**

Echa has identified a further 13 substances for inclusion in the REACH authorisation list, which include 2-methoxyethanol, 2-ethoxyethanol and 4,4'-isopropylidenediphenol (BPA). But the Commission has decided to postpone adding them for reasons that include their being subject to regulatory action across other pieces of chemicals legislation.

For example, a recent Echa assessment found that 34 bisphenols need to be restricted, with the agency suggesting a group restriction is essential, given their wide use in products and the exposure risks for professionals and consumers.

Germany is currently preparing an Annex XV restriction dossier for the controversial substance BPA and related bisphenols. BPA has reprotoxic and endocrine-disrupting properties. Echa said it would consider further regulatory action along with the Commission based on the scope of the German proposal.

No.366 April, 2022

The German Federal Institute for Occupational Safety and Health (Baua) plans to publish its proposal on 7 October.

**Link**

[European Commission adds five SVHCs to REACH authorisation list \(chemicalwatch.com\)](https://www.chemicalwatch.com/news/european-commission-adds-five-svhcs-to-reach-authorization-list)

**Provided By Chemical Watch**

No.366 April, 2022