



Press Release

Asian producer associations joining forces for better purchasing practices in the textile and garment industry

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Representatives of the STAR Network, the first inter-Asian Network of Producer Associations of the textile and garment industry, came together on Tuesday, January 12, 2021 to start a new initiative calling for better purchasing practices in the textile and garment industry.

“We want to come together as associations and manufacturers in Asia, to agree on common positions regarding payment and delivery terms so that we have a stronger voice in individual and in collective discussions with brands and buyers on improving purchasing practices”, spokesperson Miran Ali, representing the STAR Network, stated. The unique aspect about this initiative is: It is raising questions around purchasing practices, such as payment and delivery terms, from the perspective of manufacturers and the associations representing them, making it a true bottom-up initiative, that all nine member organizations, GMAC, BGMEA, BKMEA, CNTAC, PTMA, PHMA, TMA, MGMA and VITAS support. “This common position will be powerful”, Miran Ali states, who estimates that the Network represents over 60% of all global apparel exports by manufacturers.

The textile and garment industry has been characterized by a power imbalance between the brands and buyers on the one end and the textile and garment producers on the other. This imbalance has been increased and made more visible during the COVID-19 pandemic, in which order cancellations, especially from European and US-brands and buyers, left many Asian producers with their backs against the wall. “The situation has been difficult before”, the initiatives' spokesperson Miran Ali explains, “but COVID-19 changed everything. However, it does not end with COVID-19!”.

Until March 2021, the associations will work together in five working groups, defining their “red lines”, requests and recommendations on topics such as payment and delivery practices, planning and information exchange and third-party negotiations. Based on the output of the working groups, the second phase of the initiative will drive the roll-out in the industry. Many industry organizations and networks have already pledged support to the initiative. They will be involved as experts, supporting the working groups or as part of an industry advisory board. However, before brands, buyers and other stakeholders are joining the discussion table, manufacturers and associations will use the “safe space” of their new initiative to develop joint requirements and recommendations, to then communicate them with one voice.

The STAR Network serves as a platform for dialogue and trust-building to exchange on good practices to make textile and garment production more sustainable. It has been established in 2016 with the support of the German Development Cooperation Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, which implements a project called FABRIC Asia, that aims to foster sustainability in the Asian textile and garment industry on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ). Amidst the early phase of the COVID-19 pandemic, the STAR Network had already issued a joint statement, calling for Responsible Purchasing Practices amid the COVID-19 crisis, which they [published on their joint website](#) in April 2020.

After all members confirmed their commitment, STAR and GIZ FABRIC joined forces with the International Apparel Federation (IAF) to build this purchasing practices initiative. IAF is already in contact with further IAF-member associations who are planning to join the initiative.

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Disclaimer: All participants in this initiative declare that the work carried out in this initiative is not in any way aimed at a curbing of competition or a setting of prices. All associations and member companies involved undertake to comply with antitrust rules within the framework of this initiative without exception and no competition-relevant information is exchanged. This project is aimed purely at improving purchasing practices with the aim of ultimately improving sustainability and working conditions for factory workers.