

PRESS RELEASE

Experts debate social, environment compliance in apparel manufacturing

Gurgaon, Aug 9 – The Indian apparel industry must reduce costs, improve productivity and comply with internationally-accepted social and environment compliance parameters, several exporters and industry experts said today.

At a seminar organised by the Apparel Export Promotion Council (AEPC), they emphasised the need to spread awareness among various stakeholders on factory improvement, capacity building and productivity enhancement.

“AEPC is evolving a common compliance code which is the first-of-its-kind, industry-driven and industry-owned compliance project,” said council’s chairman Premal Udani in a message. “It not only aims at developing an India-specific code of ethics but also offers training and ways to build capacities.”

AEPC’s secretary general Vimal Kirti Singh spoke about the inclusion of Indian garments in US Executive Order 13126 List and the Trafficking Victims Protection Reauthorisation (TVPPRA) List issued by the Department of Labour in September last year which imply low wages and use of child labour besides putting the industry at reputational risks.

At the same time, he said, the European Union is pushing for new laws on chemicals and their safe use like the REACH – Registration, Evaluation, Authorisation and Restriction of Chemical Substances.

“All stakeholders – exporters, buyers, the council and the government – must work towards the goal of making Indian apparel industry compliant with socially and environmentally acceptable standards,” said Mr Singh adding that cutting costs and improving productivity are essential to capture domestic and international markets.

AEPC’s senior vice-chairman Praveen Nayyar while inaugurating the seminar also said that increasing productivity is a must as input costs and minimum wages for workers have increased sharply. “We are a labour-intensive industry and compliance issues should be addressed by the industry. However, the government must amend archaic laws and streamline procedures for the apparel industry to adopt changes.

The seminar attended by 150 representatives of export houses was divided in four sections: global benchmarks for social compliance in apparel manufacturing, AEPC’s programme on implementing social compliance, India’s competitive advantage and compliance challenges, and need for factory improvement and productivity enhancement.

Other speakers included Mr Rajesh Bheda, an expert in productivity enhancement, Ms Lakshmi Menon Bhatia, director of Gap International Sourcing, Mr Anil Sahai, managing director of T- Group and Mr Roger Thomas, an expert in factory and productivity improvement.

Mr Bheda said the Indian industry has entered an era of global partnerships. "As international prices continue to come down, the industry will need to improve productivity in order to maintain its profitability. We should follow a simple economic model which will help in making the productivity and social compliance work together."

Ms Bhatia said the apparel industry faces new turbulent realities and needs to instill a sense of belonging among workers.

Mr Sahai said AEPC's common compliance code will be put together in three phases – awareness level, implementation level and monitoring process. The DISHA initiative – Driving the Industry towards Sustainable Human capital Advancement – is being institutionalised for which industry participation is required.

Mr Thomas said worker-management relationships need to be improved. "Marker efficiency and controlled fabric use will increase productivity."

The seminar followed a similar exercise held in Jaipur on August 4. AEPC officials said more seminars and workshops will be held across the country in coming weeks: in Ludhiana on August 11, in Tirupur on August 24, in Bangalore on August 25, in Chennai on August 26 and in Navi Mumbai on September 7.

The AEPC represents over 8,000 small, medium and large garment exporters across the country. India exports apparel worth 10 billion dollars annually.