



Foro de los Países
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**DESARROLLO
SOSTENIBLE**
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THE ROLE OF INTERNATIONAL TRADE IN CIRCULAR FASHION: CHALLENGES AND OPPORTUNITIES

HYBRID EVENT

Celso Furtado Meeting Room, ECLAC. Thursday, April 27, 6:00 p.m. -7:30 p.m. Chile Time

Zoom link: https://cepal-org.zoom.us/webinar/register/WN_HZhyOFUSRw6zk-ZbKoAxIQ

Background

The global textile and clothing sector, dominated by fast fashion, generates large volumes of clothes consumers wear for short periods. Using low-wage labor, big brands manufacture large quantities of cheap - mostly synthetic low quality- clothing. This leads to accumulating unsold stock surpluses and discarding of large volumes of clothing.

The world trade in second-hand clothing is growing rapidly, reaching 9,304 million dollars in 2021. The volume of this trade grew by 10% per year over the last three decades, from 541,000 tons in 1992 to almost 3.6 million tons in 2021 (UN COMTRADE). The leading exporters of second-hand clothing in 2021 were the European Union, China, and the United States, with market shares of 30%, 16%, and 15%, respectively. Used clothing importers are spread around different continents. For example, the EU exports used textiles to more than 100 countries, particularly Russia, Cameroon, Ukraine, and countries in Africa and Latin America.

Trade in used clothing has the potential of extending their lifecycle, allowing people in developing countries to purchase clothes at an affordable price, generating local employment, and reducing CO2 emissions. However, often these exports generate negative impacts in destination markets when the clothes are of poor quality and end up in landfills, where they are frequently burned and generate pollution.

The costs associated with the collection, sorting, transport and import of garments determine the profitability of the used clothing business in developing countries. The most complex and labor-intensive process is the sorting of garments according to their status (usable or non-usable), quality (brand, design, materiality, etc.) and type (pants, jacket, etc.). High-quality used clothes are re-sold within advanced countries (less than 10% of all collected textiles), whereas about two thirds of lower-quality clothes are

exported to developing countries. An average import tariff of 19.2% on used clothing adds to its cost in the destination markets and adds to the disincentive to repair or resale.

In this context, it is urgent to analyze and debate the positive and negative contributions of international trade to circularity within fashion worldwide, including the avoidance of negative environmental impacts, such as in the Atacama desert in Chile.

Goals

Discuss among the main actors, companies, government and NGOs: a) the role of international trade in circular fashion, and b) the creation of new incentives to reduce environmental impacts, particularly in the Atacama desert in Chile.

Program Thursday April 27

6:00 p.m. to 6:10 p.m. Opening

- Keiji Inoue, Officer in Charge, International Trade and Integration Division (ITID), ECLAC
- Maria Teresa Pisani, Economic Affairs Officer, UNECE

18.10 to 19.20 hours Panel: Study on the value chain of used clothing in Chile

Chair: Javiera Arteaga, Economic Affairs Officer, ITID, ECLAC

- Angela Astudillo, Desierto Vestido, "Local impacts from textile waste and the second-hand clothing trade"
- Natalia Papu, Circle – Economy "Circularity of second-hand clothing in the world"
- Lorena Palomo, UNECE Consultant, "Regulations for the trade of used clothing in Latin America and the world"
- Beatriz O'Brien, ECLAC Consultant, "The business model and used clothing, social implications in Chile and the world"
- Cristian Molina Silva, Regional Director of Customs; Richard Villarroel, Inspector of the Free Zone Customs Department "Inspector role of Customs in the second-hand clothing trade in Iquique."
- Samet Hozer, User Zofri, "Business Model for the trade of used clothing in Chile through Zofri".

Questions and interventions

7:20 p.m. to 7:30 p.m. Closing Remarks

- Nanno Mulder, head of the Sustainable Trade Unit of the International Trade and Integration Division of ECLAC