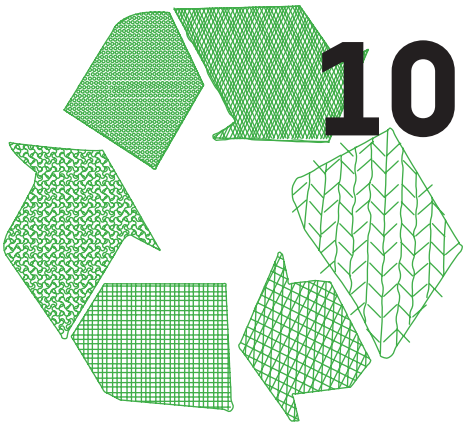
RE-Textile



Description of the business

Context

Along with "food" and "shelter", clothing is a basic human necessity. It protects us from the elements and serves a social purpose (modesty, appearance, etc.). We also use textiles to decorate the interiors of our homes, notably bedding, as well as wall hangings and curtains.

The textile industry has undergone many changes in recent years. The apparel sector, and particularly "ready to wear" clothing has experienced a restructuring, due to the influence of very large groups, such as the Spanish Inditex Group (Zara, Bershka, Massimo Dutti, and Pull and Bear), Swedish giant H&M, Marks&Spencer from England, etc. These European groups are the reason Chinese imports account for just twenty percent of a European market worth over 100 billion euros (the leader being Inditex, with 26 billion euros in sales in 2018). The major chains clearly lead the pack in terms of turnover, thanks to their well-oiled business models, efficient logistics, and low-cost manufacture outside Europe.

However, in apparel and other textile-related sectors, reducing our environmental footprint has become a necessity, both the planet and for profits. And consumers are increasingly well-informed, due to media coverage. As a result, we have seen groups such as H&M, Nike and Mahmut take steps to reduce their impact on climate change and water pollution.

Meanwhile, several (small) local stakeholders have launched ethical and/or environmentally conscious brands, and herein lies the opportunity. Supported by followers of the growing "slow fashion" movement, these projects are more credible than the large groups when it comes to living their environmental and social values. This movement also encompasses other textile products; for instance Kalani produces bedding.

In terms of the circular economy, however, few brands have followed Isatìo's lead in using recycled materials to produce their textiles. And almost none are created from used textiles (Isatìo uses unsold stock and ends of lines). The used textile sector is mainly geared towards "second hand" retail, with pieces in good condition finding their way into Brussels' growing number of thrift and vintage stores. These are also taking in an increasing proportion of stock that would previously have supplied charities such as Terre, Oxfam and les Petits Riens, who are consequently seeing a decrease in the quality of their raw materials. And that's before we consider the large volumes funnelled into the online second hand sector in recent years, through apps such as Vinted.

But what to do with the significant proportion of used textiles that are not in saleable condition?

Industrial activity

Several processes for creating "clean" textiles from used fabrics have emerged and continue to be explored. Essentially, this entails collecting and reprocessing textiles (and similar materials) to create raw materials that can be reused to produce new textiles.

European projects such as RESYNTEX and Infinited Fiber show that it is possible to establish local factories and create textile fibres from salvaged textiles. Ideas of this type have been brewing in the industry, as shown by the Interreg initiative RETEX. While geared more towards reflection than technology, its stated aim is to "create a textile sector that increasingly functions as a closed loop".

As there are no longer any real clothing or bedding factories the local area, it would be a good idea for this factory to use the fabrics it produces to create its own clothing and/or home textiles (bedding, wall hangings, etc.). The clothing produced would consist of an “essentials” range of timeless pieces (trousers, classic shirts/ blouses, jackets, skirts, etc.), as well as ”specials”, available to rent, similar to the service offered by Jukebox Clothes.

This would create a comprehensive product range, including wholesale textiles sold B2B to manufacturers and retail sale/hire of clothing B2C. Any offcuts or unusable raw materials could be redirected to produce insulation (sheet 2).

The business activity would involve the following key steps

- Organisation of collections, requiring the creation of partnerships, and selection on the basis of the fabric types suitable for processing
- Sorting and preparation of materials
- Reprocessing of materials to create new fibres

And depending on the chosen practical applications:

- Weaving of fibres to produce textiles
- Production of bedding and/or clothing using the textiles
- Sale of products to a clothing rental company operating in the “functional economy” for part of the range.

Technical feasibility

Technical feasibility has been studied in other initiatives, and it would be advisable to speak to those involved to determine which types of materials would be the easiest starting point. Time and again, the modern world has proven its creativity through the plethora of new materials developed (including textiles). It will be necessary to identify your chosen material type from the outset, in order to design the whole process (from collection to finished products), and, based on this, determine the investment required for reprocessing (machinery, staffing, etc.).

Logically, this is the first factor to consider.

When doing so, it would also be useful to liaise with textile recycling companies such as Belrey, based in Mouscron, who salvage textile fibres (sourced globally) for industrial applications, or the Sioen Group, who develop creative personal protective equipment solutions using recycled fibres.

First Elements to be analysed by the project team

- Assess potential processing methods and select one.
- Determine the amount of investment required and the volumes (in/out) needed to make this investment profitable.
- Discuss the volumes required with potential suppliers of raw materials (primarily the NGOs named above); consider the scope for pre-sorting at the source in order to provide only useable materials.
- Determine sales channels. Contact the various companies based in Brussels (or distributed in the region, in stores such as Yuman), which operate according to circular or eco-responsible principles (Isatio, Kalani, and many others), to gauge their interest in using fibres produced by the factory, or partnering as a manufacturer.
- Design a range of products to sell (fibres, textiles, clothing or other finished goods), as well as setting prices (or a pricing model if you intend to offer occasion wear hire)
- Test the pricing model

Sources of inspiration

- RESYNTEX: https://cordis.europa.eu/article/id/411525-discarded-textile-now-a-raw-material-for-the-chemical-and-textile-industries
- Infinited Fiber: https://circulareconomy.europa.eu/platform/fr/node/1030
- Retex: https://www.dotheretex.eu/fr/do-the-retex
- Sioen Group: https://sioen.com/fr/nouvelles/des-solutions-vertes-fantastiques

Business potential

Market

Before the coronavirus crisis, the Belgian textile, wood and furniture industry federation, Fedustria, explained that: "In the first nine months of 2019, the overall turnover of the Belgian textile industry was 3.3 billion euros, slightly lower than the first nine months of 2018 (-0.6 %). However, taking into account an average price increase of 3%, production volume actually decreased by around 3.5% over the same period.

The most striking changes to the textile industry are, on one hand, a 4% increase in turnover on rug manufacture and, on the other, an almost equal decrease in technical textiles (3.9%). Other product groups, such as fabrics (for clothing and homewares) and finishings have experienced falls of 2-4%. The striking increase in the production of thread (18.8%) is mainly due to the manufacture of linen-based fibres.

After two years of decline, investment in the textile industry increased by no less than 34.7 % in 2019, reflecting confidence in the future. The production capacity utilisation rate remained at the same level as in 2018, at an average of 73.6 % in 2019. The rate of use in 2017 was 77.9%.

Employment remained practically stable from 2015 to 2018. In 2019, however, around 350 jobs were lost in the textile industry, a decrease of 1.8% on 2018. It therefore provided 19,300 jobs in 2019. "

The sector is clearly evolving, but each sub-sector also represents a market worth several hundred-million euros, a proportion of which is in Brussels.

While technical textiles make up 42% of the sector, homewares account for 41% and apparel 11%. Focusing on the last of these sub-sectors may appear to be swimming against the tide of recent trends. However, it is entirely in step with the shift towards more locally-made and environmentally responsible clothing.

Competition

At present, no similar projects exist, so there is no direct competition. However, you will face indirect competition, as you will need to find your place in a market where price is a decisive factor. This is why it is essential to work with partners that share "circular" approach and have already begun to carve a niche for themselves.

There is also a risk that if the project proves to be feasible and profitable, others may rush to copy it. But this is normal for a growing market, and the "first mover" has an advantage due to its reputation (unless it is stifled by a much larger company seeking to monopolise the market, though this is unlikely in this particular sector).

Circular nature of the business

By offering a means of remanufacturing home textiles and clothing to make new... home textiles and clothing, the business is truly circular, whereas existing companies (e.g. Belrey) are more geared towards downcycling.

If the business also manufactures clothing, offering a clothing rental service (for pieces only worn once or twice per year) would add another "circular" element to the project, which could be delivered in partnership with pioneers of the functional economy, such as Coucou Shop or Jukebox Clothes.

Because, as Fedustria stresses on its website, "the circular economy presupposes cooperation within the textile value chain". As such, a commitment to the circular economy will, necessarily, give rise to strategic partnerships, which must be developed from the earliest planning stages.

Key figures

Assumptions

It is too early to speak about figures for a project of this nature. The priority is therefore to secure sustainable sources of raw materials and develop transformation processes to produce desirable textiles.

To reduce costs, we believe it is best to begin at both ends of the chain (sourcing and manufacture of finished goods), even if this means working with companies in the domestic textile sector initially to achieve the desired results.

It will be a long learning curve and the project leaders will need to have a genuine affinity with the textile industry as a whole.

Made in Brussels

Local procurement

Like any major city, Brussels generates a large volume of "used" textiles, discarded by users each year. However, they are already disposed of in a relatively organised manner, so partnership(s) with one or more of the major stakeholders will be essential.

Local partners

Supply partners

NGOs that organise textile collections: Terre, Oxfam, Petits Riens, etc.

Distributors

- The idea is to operate on two levels: "raw fabrics", sold B2B, and finished goods sold B2C. Initially, it may be necessary to prioritise one over the other.
- B2B sales will almost certainly involve direct marketing.
- For B2C retail, establish contact with other eco-responsible brands and use the existing distribution channels.

Subcontractors

- None strictly necessary
- Packaging, palletisation and distribution can be shared with other companies.

Competitors

No direct competitors, but expect strong competition on price, especially when selling "raw materials" B2B.

Location

A large space will be required, for storage and sorting of raw materials, machinery used in the recycling process and subsequent production of finished goods. At least 1000 to 2000 m² to launch the business. To keep this to a minimum, consider choosing a site close to supply partners who collect used textiles.

Key factors for success

Operational and commercial barriers

The main challenge is the technical process for recycling textiles to create fibres suitable for use in textile production. This will be a priority for research.

In addition, it will be necessary to identify a source of raw materials possessing the characteristics required for the chosen process, in terms of material and quality, in sufficient quantities to make the project sustainable.

Intellectual property

You must ensure that no one holds patents or other industrial property rights for the selected process.

Legislative obstacles

None

Other risks

None

Project team skills

The team will require "conventional" entrepreneurial skills, with one person responsible for management and finance, one person with the necessary sales and negotiating skills (including negotiating partnerships), and an operations manager to oversee the recycling and manufacturing process.

Ideally the manager and/or the sales manager should have experience in the textile industry. This would be advantageous in terms of contacts and understanding of the whole production cycle and the relationship between the different stakeholders in this chain.

What the RBC (Brussels Capital Region) can do make it a success

- Promotion of this type of textile in public works contracts
- If a bedding range is produced, promotion to hoteliers in Brussels as part of a "Good Host" label (similar to the "Good Food" label).
- Calculate the environmental and climate impact

References and links

We have included several projects from further afield, but they are all related to recycling and upcycling with links to the textile industry.

3SIXTY	https://circulareconomy.europa.eu/platform/fr/node/1495
Belrey Fibers	https://www.belrey.com/
CelluTex	https://circulareconomy.europa.eu/platform/fr/node/1016
Coucou shop	https://www.coucoushop.be/
Econyl	https://circulareconomy.europa.eu/platform/fr/node/14
Hilaturas Ferre	https://circulareconomy.europa.eu/platform/fr/node/51
HumanaNova	https://circulareconomy.europa.eu/platform/fr/good-practices/croatian-cooperative-humana-nova-gives-used-clothing-new-life-and-its-members-new-dream-fulfill
Infinited Fiber	https://circulareconomy.europa.eu/platform/fr/node/1030
Isatio	https://www.isatio.com/
Jukebox clothes	https://www.jukeboxclothes.com/
Kalani	https://www.kalani-home.com/fr/
Karun sunglasses	https://circulareconomy.europa.eu/platform/fr/node/1004
Klättermusen	https://circulareconomy.europa.eu/platform/fr/node/998
Lena	https://circulareconomy.europa.eu/platform/fr/node/1838
Mistra Future Fashion	https://circulareconomy.europa.eu/platform/fr/node/71
Rediscover Fashion	https://circulareconomy.europa.eu/platform/fr/good-practices/rediscover-fashion-promotes-circular-design-giving-new-life-unwanted-textiles
Resyntex	https://cordis.europa.eu/article/id/411525-discarded-textile-now-a-raw-material-for-the-chemical-and-textile-industries
ShareWear	https://circulareconomy.europa.eu/platform/fr/node/1027
Vinted	https://www.vinted.be/
Wolkat	https://circulareconomy.europa.eu/platform/fr/good-practices/wolkat-family-business-closing-loop-textile-recycling
Yuman	https://yumanvillage.be/