

**KEYNOTE ADDRESS TO INAUGURAL SESSION OF INNOVATION
AND CO-OPERATION FOR THE FUTURE OF THE EUROPEAN
TEXTILE AND CLOTHING INDUSTRY**

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President of EURATEX

Mr. Chairman, Ladies and Gentlemen,

It is a great pleasure to speak to you this morning in my function as President of Euratex. You certainly all know that Euratex – the European Apparel and Textile Confederation – is the voice of our industry in Brussels, which tries to ensure on a daily basis that EU and other international policy makers take the needs and concerns of our industry into account when establishing new European rules, legislations and programmes, when negotiating international agreements or when taking measures in response to economic or political events such as the recent economic crisis. You will also surely agree with me that it is important to represent the interests of the textile and clothing industries of all EU countries with a strong and unified voice. For this reason I am glad that the Hungarian industry, represented by the Association of Hungarian Light Industry, has been a member of Euratex for a good number of years.

The daily work of Euratex in Brussels covers a very broad range of subjects and policies, going far beyond commercial policy issues of international trading of textiles and clothing with the EU and with the rest of the world. It covers the vast and ever-growing field of environmental legislation to which our industry is subject to. It covers areas such economics and statistics, education and training, the protection of intellectual property, standardisation and of course research, development and innovation. It is this latter subject on which I will focus for today's event.

I think by now it has been understood by most textile and clothing companies in Europe that the way to long term survival and prosperity in this globalised market is not the production of commodity goods whose main selling proposition are their low cost. As we in Europe cannot rely on any structural input cost advantage, we need to focus our attention on the distinguishing features of our output. This means we have to create, produce and sell products that thanks to their quality, functionality or fashionability are so unique and desirable to customers worldwide, that they are prepared to pay a price for them that makes good economic sense for our companies in Europe. And as the needs and desires of our customers and the efforts of our competitors never stop to evolve, we need to constantly change and improve our offers so that we always stay one step ahead. This process of course is described by this simple and today omnipresent word – INNOVATION.

Innovation in our industry can have many faces. It can be driven by research and technological development. It can be driven by creative or artistic inputs in the form of new designs. It can be enabled through new processes and organisational concepts in the company. It can take the form of opening new markets for existing products or the combination of products with related services. And in an extreme form can even lead to completely new business models around textiles or clothing.

In whatever form innovation comes, to be implemented it needs a driving force or leadership with commitment and the right mindset, it needs structures and procedures and yes, it needs – often a lot of – resources. Human and financial.

I am sure that our industry does not lack in committed leadership, which increasingly opens its mind to the need and the benefits of innovation. On the other hand, we all know that our industry is heavily dominated by SME's. For those often small to micro-companies the question of having the right structures, procedures and resources for innovation is the much bigger challenge.

It is this challenge that all that have a stake in the well-being of the textile and clothing companies here in Hungary and across the whole of Europe should focus their attention on. First and foremost the companies themselves of course, but also their industry associations, the textile research and education providers, the trade unions and the public authorities at all levels – local, regional, national and European. A first step in tackling this challenge together, is the establishment of a network or indeed a platform, where all stakeholders can meet, exchange and jointly agree and implement appropriate actions.

It was in this spirit, that EURATEX almost six years ago, and as a consequence of the work of the EU High Level Group, established the European Technology Platform for the Future of Textiles and Clothing. This is important not simply because the Platform exists in name, but because it has very evidently demonstrated its worth and has been responsible through its Strategic Research Agenda, its co-operation with other Platforms, and its follow-up to the work of the High Level Group in 2004 and 2005, for very substantial additional funding being made available for projects which have a genuine added value for our industry.

Let me briefly mention a few clear examples of the achievements of our European Technology Platform.

Since the beginning of its active work with the European Commission's research policy makers up to today, our platform was able to ensure some 150 million Euros of EU funding for textile research, resulting in almost 40 collaborative research projects with a total budget of well over 200 million Euros. And another round of calls for proposals under the 7th Framework Programme with

interesting funding opportunities for textile research has been published in July of this year.

Our platform has successfully established numerous collaborations with similar platforms such as the machinery industry, the chemicals and biotechnology sector, various other consumer goods industries or the construction sector – all with the intention to explore together how the textile industry could apply the latest developments from those sectors or to demonstrate how innovative textiles can bring attractive solutions to problems or market needs in other industries.

Moreover the Platform's work with universities from across Europe has been instrumental in the creation of an education group. This group has made an assessment of the university and higher education courses available in the EU and the number of graduates, masters, or Ph. Ds they produce on the one hand, as compared, on the other, with the perceived needs of industry in the future in a wide variety of diploma areas.

We also realised that our platform is a wonderful instrument to demonstrate to other sectors, to policy makers and to the general public how exiting and full of future potential the European textile and clothing industry can be. All we need are the right conditions and incentives to dedicate our knowledge, skills and creativity to the invention and marketing of innovative textile solutions for the societal challenges of today and tomorrow.

And finally I want to highlight the importance of the interaction of our European Technology Platform with similar structures on national and regional level. The 5th Annual Public Conference of our platform in March of this year was fully dedicated to the national and regional dimension of textile and clothing innovation. Some 30 national and regional platforms, clusters and networks - some of them decades old, some of them very new creations – all showcased their activities and achievements. One of the newest additions to this illustrious European club is your national technology platform TexPlat, which of course also presented itself at our conference in Brussels.

I think I can confidently say that the very positive experience of the Hungarian partners in our European platform such as the Hungarian Society of Textile Engineers TMTE or the textile research institute Innovatext, has inspired the creation of your national platform. I am very glad about such kind of knowledge and best practise transfer from European to national level. I would also encourage you to study the activities and success stories of similar platforms and networks in other EU countries and regions. And I have noticed that representatives of some of such initiatives are here today.

However, I would guard you against simply copying structures and strategies from others. What seems to be working in well in Austria, the Czech Republic, Germany or indeed the whole of Europe may not be the perfect solution for Hungary. Therefore make an honest and critical assessment of your industry's strengths and weakness and then focus your strategy and resources in areas in which you are in an advantaged position and where you see the biggest potential.

Still I believe there are a few general concepts which seem to apply universally to all platforms and networks whether European, national or regional. Let me conclude my speech by listing a few of them.

- First: Make sure you have all the key actors on board. Bring in all textile and clothing companies that are willing to explore new ideas and concepts. Don't forget the supplier and customer sectors. Look for multidisciplinary among the researchers you involve. And of course make sure you are connected to the relevant policy makers
- Second: Don't reinvent the wheel. Look for best practices from other textile platforms across Europe and from other sectoral platform in Hungary, but don't blindly copy them.
- Third: Be efficient with your resources. Understand what is most needed and what is achievable at the same time. Go for the low-hanging fruits first.
- Fourth: Build recognition and trust. All relevant stakeholders should know you and should believe that what you do is useful and well done.
- And fifth: Talk about your success stories. Our industry badly needs to improve its image with policy makers, with students and with the general public as a whole. An innovation platform should be well placed to contribute to this.

I hope this conference will serve as an excellent starting point for new cross-regional, cross-national and European ideas and initiatives and I would like to wish the Hungarian Textile Technology Platform and the Hungarian Textile and Clothing industry a bright, innovative and successful future.

Thank you for your attention.