

January 16, 2019

Japan Textile Federation

Action Policy for Fiscal 2019

Japan Textile Federation (JTF) has been working actively by recognizing identity of the textile industry such as the power to support the life, health and living of humans, the power to enrich spirits of people and improve culture and the power to create a future society.

The textile industry should facilitate the creation of new values, while appealing globally the products realized with the Japanese textile industry's technical strength and design capability and sharing values of Japanese materials in the entire textile industry. While responding to a growing awareness on sustainability in the world and further developing the textile markets both at home and abroad in response to the changes of the times, we firmly believe that the textile industry still has the potential to achieve a higher growth.

On the other hand, we need to verify the potential of a new business model in relation to the Connected Industries which incorporate "the fourth industrial revolution" into the textile industry as well, in response to the fact that "the fourth industrial revolution," in which artificial intelligence (AI) and IOT will drastically change the industry.

JTF will make every effort for further development of the textile industry by recognizing that the trust from the society on the textile industry is important and sharing responsibilities in the overall supply chain, while further strengthening the trust-based mutual relationships between its members. Also, JTF will steadily execute the structural reform of itself including improvement of the present trade practices and appropriate implementation of the system to provide education and hands-on skill training to foreigners and also reinforce its activity basis by continuously presenting active policy proposals to the government.

Based on the basic concept outlined above, JTF will conduct activities for development of the Japanese

textile industry along the seven-point policy shown
below:

1. Active Approaches to Cope with Trade Issues and Trade Expansion

(1) JTF will take advantage of the TPP 11 and the Japan-EU EPA that will become effective to increase business opportunities and take its own approach to the government with an aim for early conclusion and putting into effect of such trade agreements.

(2) JTF holds the Japan-China-Korea Textile & Clothing Conference annually in cooperation with the China National Textile and Apparel Council and the Korea Federation of Textile Industries, and exchanges the information broadly on the subject of "Trade Issues," "Sustainability" and "Fashion & Technology".

(3) Amid a rapid acceleration of globalization in textile industries, JTF will support the efforts by various organizations in the direction that Japan takes the initiative in promoting international standardization.

2. Promotion of Structural Reform in the Textile Industry

(1) JTF will continue to support the various project activities by SCM Promotion Association that has facilitated review and establishment of trade practices of the textile industry, promote further improvement of trade practices in a collective manner, and exert its efforts in implementation of voluntary action plan of the textile industry.

(2) JTF will disseminate and ensure more proper trade and social responsibilities for supply chain by ordering parties, in order to implement the structural reform in the whole textile industry and strengthen the social trust.

(3) Following the seminars held in 2018, JTF will hold explanatory meetings for its member organizations and companies on the OECD Guideline, and present some examples that have been successful in conforming to the Guideline.

3. Securing and Nurturing Human Resources

(1) For maintenance and improvement of the business

bases in the textile industry, it is one of the most important issues to ensure and develop human resources. We will promote "Work Style Reform" that intends to improve the production efficiency and competitiveness at the same time with the realization of diverse working styles, correction of long working hours and active participation and involvement of women in the entire supply chain.

(2) JTF will steadily carry out the "efforts for appropriate implementation of the system to provide education and hand-on skill training to foreigners".

(3) With an eye to the situation that Japan's labor population is expected to be small in the future, it is necessary to consider acceptance of human resources from overseas. Accordingly, we will conduct educational activities for ensuring compliance with the system to provide education and hands-on skill training to foreigners.

4. Measures to Deal with Sustainability in the Textile Industry

(1) As it becomes more important to make new approaches to ensuring the safety of consumers, JTF will tackle various challenges in an expeditious manner under the "Guideline on Non-use of Harmful Substances for Textiles and Clothing," while keeping an eye on the movement of regulations on chemical substances in the world.

(2) Bearing in mind that the awareness on sustainability including environmental and safety issues in textile products markets in the world becomes higher, JTF will use its efforts to provide the information after properly grasping the movement of alliances of international private companies such as ZDHC, SAC and others.

(3) As ocean plastic pollution issue is emerging, JTF will gather the information on fibers waste during laundry.

5. Creation of New Added Value through Promotion of Connected Industries

(1) We will verify the potential of a new business

model which incorporates "the fourth industrial revolution" into the textile industry as well in response to the fact that "the forth industrial revolution," in which artificial intelligence (AI) and IOT will drastically change the industry, has been widely covered by the media.

(2) We will hold seminars on AI and IOT to conduct educational activities for our member organizations and companies.

(3) We will make cross-sectional efforts such as cooperation in and between production centers and collaboration among industry, government and academia for creation of new added value through various linkages, and verify the enhanced competitiveness of the textile industry that has created new added value through cooperation between different industries.

6. Strengthening of Information Transmission Capability and Brand Power

(1) JTF will further expand information transmission activities including appeal of high-quality, high-sensitivity and high-functional materials

that incorporate sophisticated technology and sensibility of the Japanese textile industry through cooperation in "J ∞ QUALITY Product Certification Project" managed by Japan Fashion Industry Council (JFIC) as a main organization.

(2) In collaboration with the "Cool Japan Strategy" implemented by the government, JTF will work on the related organizations in order to allow textile products ranging from fashion goods to functional goods to be promoted widely both at home and abroad including the inbound demand.

(3) JTF will provide assistance in transmission of information both at home and abroad, improvement of the creation capability, and collaboration between creators and material production centers for invigoration of production centers by apparel fashion industries, in order to strive for enhancement of brand power.

7. Response to Taxation Issues

(1) We will request the ruling parties and the relevant ministries for revision of taxation systems related to the whole textile industry,

including steady and efficient reduction of effective tax rate of corporate income tax, abatement of fixed asset tax, simplification of the tax declaration system and responsive measures for consumption tax hike.