

Session Outline

Enabling Positive Climate Action Through Circular Economy: An illustration through the apparel sector in Asia

November 25, 2024 @ 12:30 pm to 2:10 pm (Hybrid mode)

UN Conference Centre, Bangkok

1. Background

The central message of the recently released Global Resources Outlook 2024 of the UNEP International Resources Panel (IRP) is clear – we need to urgently reduce our resource use intensity and limit total material resource consumption, not only to achieve global climate, biodiversity and pollution targets but also to enable economic prosperity and ensure human wellbeing for all. Global resource extraction has increased five-fold since 1970, and continues to grow by 2.3% annually, whereas resource productivity has remained largely stagnant with average annual increase of only 0.7%, a level much below global increases in labour, energy and GHG productivity over the same period. Low-income countries use less resources and use these less productively: high income countries achieve resource productivity on average six times higher than low-income countries. The report underlines that delivering on SDGs for all requires both decoupling resource use from economic activity and well-being, as well as ending further growth in total resource consumption, by applying resource efficiency and circularity in products and services, business models and industrial policies¹. There has been some progress on resource efficiency and circular economy strategies in hotbeds of economic activity, but a more concerted whole of society approach is needed, to achieve the desired transition pathway.

According to estimates by the IMF, Asia remains a region of robust economic growth and performance, with a number of economies of Asia and Pacific region consolidating their economic performance over the last couple of years (see Fig 1)². At the same time, a UNDP report highlights the threats posed by climate change in the region³. The report further estimates that fossil fuels still account for 85% of all energy consumption in the APAC region, thus necessitating an urgent transition towards carbon-neutral and climate-resilient development.

A report by the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) emphasizes that adopting circular economy practices in this region could foster sustainable development, economic resilience,

	PROJECTIONS OCTOBER 2023 WEO				
	2022	2023	vs. April	2024	vs. April
Asia	3.9	4.6	0.0	4.2	-0.2
Advanced Economies	1.8	1.7	0.1	1.7	0.0
Australia	3.7	1.8	0.2	1.2	-0.5
Hong Kong SAR	-3.5	4.4	0.9	2.9	-0.2
Japan	1.0	2.0	0.7	1.0	0.0
Korea	2.6	1.4	-0.1	2.2	-0.2
New Zealand	2.7	1.1	0.0	1.0	0.2
Singapore	3.6	1.0	-0.5	2.1	0.0
EMDEs	4.5	5.2	-0.1	4.8	-0.3
Bangladesh	7.1	6.0	0.5	6.0	-0.5
Brunei Darussalam	-1.6	-0.8	-4.1	3.5	0.0
Cambodia	5.2	5.6	-0.2	6.1	-0.1
China	3.0	5.0	-0.2	4.2	-0.3
India	7.2	6.3	0.4	6.3	0.0
Indonesia	5.3	5.0	0.0	5.0	-0.1
Lao P.D.R.	2.3	4.0	0.0	4.0	0.0
Malaysia	8.7	4.0	-0.5	4.3	-0.2
Mongolia	5.0	5.5	1.0	4.5	-1.0
Myanmar	2.0	2.6	0.0	2.6	0.0
Nepal	5.6	0.8	-3.6	5.0	-0.1
Philippines	7.6	5.3	-0.7	5.9	0.1
Thailand	2.6	2.7	-0.7	3.2	-0.4
Vietnam	8.0	4.7	-1.1	5.8	-1.1
Pacific Island Countries	1.0	3.2	-0.7	3.8	0.2

¹ <https://www.resourcepanel.org/reports/global-resources-outlook-2024>

² <https://www.imf.org/en/Blogs/Articles/2023/10/13/asia-continues-to-fuel-global-growth-but-economic-momentum-is-slowing>

³ <https://www.undp.org/asia-pacific/publications/making-our-future-new-directions-human-development-asia-and-pacific>

and significant reductions in emissions (UN ESCAP, 2021)⁴. Moreover, the international community agreed on deploying circular economy as the pathway for sustainable consumption and production and climate action, in the 2024 Pact for the Future⁵.

2. Planned Session

Given the above, a constructive dialogue to channel evidence-based policy actions to drive circular economy in the Asia Pacific region is an imperative. UNESCAP, IDRC, and CRB will host this dialogue in collaboration with the *EU SWITCH Asia Policy Support* Component to identify tangible key priorities for initiating actions on the advancing the circular economy. This dialogue will involve experts and organisations from the region and the international level, including industry, academia, civil society, policymakers and international organisations.

The textile sector is one of the most important sectors of the Asia Pacific region in terms of jobs, incomes and exports. The current market size is estimated at USD 391.20 billion, and expected to reach USD 443.72 billion by 2029, growing at a CAGR of 2.55%⁶. While China leads the pack, some of the other key apparel and textile manufacturers are Bangladesh, Cambodia, India, Vietnam and Pakistan. However, garment sector is also under increasing scrutiny for its non-circularity, particularly the transition to fast fashion that has seen global garment production double during 2000 -2015, whilst at the same time reducing the average number of wears by an estimated 20% ⁷.

The aim of the session is as follows:

- Underline (current and potential) benefits from driving circular products, strategies and business models in the APAC apparel and textile sector
- Identify priorities for decoupling the textile sector from environmental degradation whilst also supporting and improving human wellbeing. Build the evidence around opportunities and challenges at national and regional levels
- Examine the contribution of factors including finance, innovations, skilling, infrastructure and collaboration - to achieve these decoupling goal(s)
- Assess how textile value chain stakeholders could leverage the demand side to drive this transition (How can Asia's GenZ and Millennials be engaged effectively on this agenda)

3. Agenda

Time Duration	Agenda Details
12:30 – 12:40	<p><i>Welcome and Context Setting</i></p> <ul style="list-style-type: none"> - Sudip Ranjan Basu, Chief of Sustainable Business Network Section, Trade Investment and Innovation Division, ESCAP - Rijit Sengupta, CEO; Centre for Responsible Business (CRB)

⁴ <https://repository.unescap.org/bitstream/handle/20.500.12870/101/ESCAP-2019-MN-Closing-the-loop-regional-policy-guide.pdf?sequence=1>

⁵ https://www.un.org/sites/un2.un.org/files/sotf-pact_for_the_future_adopted.pdf

⁶ <https://www.mordorintelligence.com/industry-reports/apac-textile-industry/market-size>

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https://emf.thirdlight.com/file/24/uiwtaHvud8YIG_uiSTauTIJH74/A%20New%20Textiles%20Economy%3A%20Redesigning%20fashion%E2%80%99s%20future.pdf

Time Duration	Agenda Details
12:40 – 14:10	<p><u>Panel Discussion: <i>Enabling Positive Climate Action Through Circular Economy: An illustration from the apparel sector in Asia</i></u></p> <p><u>Moderator: Rene Van Berkel, International Faculty, School of Global Studies, Thammasat University, Bangkok, Thailand (confirmed)</u></p> <p>Part 1: Circular economy in practice in the apparel sector in Asia (45 min) Panel with industry representatives (Key questions)</p> <ol style="list-style-type: none"> 1. What circularity practices has your company implemented? 2. How have these circularity practices impacted your business? 3. What are critical challenges to navigate for scaling up circularity initiatives in the apparel sector? <p>Proposed Panelists:</p> <ul style="list-style-type: none"> • Mr. Jirarot (Wat) Pojanavaraphan, Managing Director, SC Grand (Thailand) • Mr. Phongsan Wongsermhiran, Director of Research, Development and Innovation, Thai Wacoal (Thailand) • Mr Rizal Tanzil Rakhman, Manager Sustainability, Pan Brothers (Indonesia) • Leonie Vaas, General Manager Group Sustainability, Hirdaramani Apparels (Sri Lanka) • Mr Mostafiz Uddin, Managing Director Denim Expert (Bangladesh) and Founder and CEO of Bangladesh Apparel Exchange <p>Including Q & A with audience</p> <p>Part 2: Towards a support ecosystem for circular apparel in Asia (45 min) Panel with ecosystem stakeholders</p> <ol style="list-style-type: none"> 1. What support is available for supporting the circular transition of apparel manufacturers and retailers in Asia? 2. What critical challenges and opportunities remain? 3. What in your view is required to recruit the apparel sector as a whole for the circular economy transition <p>Proposed Panelists</p> <ul style="list-style-type: none"> • Michael Bucki, Counsellor, Head of Section, Delegation of the European Union to India • Kim Le, Founder, CL2B, Vietnam (confirmed) • Devyani Hari, Senior Director, Centre for Responsible Business, India • Arab Hoballah, Executive Director SEED – entrepreneurship for sustainable development • Lei (Gloria) Yao, Director, Hong Kong Research Institute for Textile and Apparel <p>Q&A with audience</p>