

2013 MONITORING AND EVALUATION EXERCISE - TEXTILES AND APPAREL RESULTS

JOINT WTO and OECD WORKSHOP

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Developing country suppliers and global apparel market 2005 to 2011 (US\$ million)

Exporter	2005	2011	Percentage change 2005-2011	% of total exports in 2011
China	74,162	153,773	+107%	37%
Bangladesh	6,889	19,938	+189%	4.8%
India	8,738	14,364	+64%	3.5%
Turkey	11,833	13,947	+18%	3.4%
Viet Nam	4,680	13,153	+181%	3.2%
Indonesia	4,958	8,045	+63%	1.9%
Mexico	7,305	4,637	-36%	1.1%
Malaysia	2,478	4,567	+84%	1.1%
Pakistan	3,603	4,549	+26%	1.1%
Cambodia	2,210	4,050	+83%	1%
World Total	278,000	412,000	+48%	

Source: WTO Secretariat

Fastest growing apparel exporters 2005 to 2011 (US\$ million)

Exporter	2005	2011	Percentage gain 2005-2011
Panama	10.3	2,017	19,359%
Mali	0.003	0.25	6,196%
Samoa	0.001	0.061	4,303%
Burundi	0.001	0.33	2,615%
Ethiopia	2.36	34.5	1,365%
Togo	0.28	4.1	1,362%
Azerbaijan	0.48	5.99	1,143%
Chile	47.35	440.72	831%
Egypt	183.8	1,380.3	651%
Yemen	0.48	3.02	524%

Source: WTO Secretariat

Export performance of African apparel exporters, 2005-2011 (US\$ million)

Country	2005	2011	Percentage change
Cape Verde	1.39	5.27	+286%
Côte d'Ivoire	4.94	1.40	-72%
Egypt	183.83	1,380.37	+654%
Ethiopia	2.35	34.55	+1,365%
Kenya	185.25	246.73	+33%
Lesotho	445.95	568.72	+28%
Madagascar	344.61	403.40	+17%
Malawi	41.88	17.45	-58%
Morocco	2,847.19	3,183.76	+12%
Mozambique	6.70	0.77	-88%
Namibia	28.2	5.3	-81%
South Africa	173.26	119.49	-31%
Swaziland	174.88	85.45	-51%
Togo	0.28	4.09	+1,362%
Zambia	3.81	0.38	-90%

Source: WTO Secretariat

Adding value in apparel

Cutting, making (sewing), and trimming



Original design manufacturing



Connecting to Textiles and Apparel Value Chains – survey results

DEVELOPING COUNTRY SUPPLIERS			LEAD FIRMS		
What difficulties do you face in entering, establishing or moving up textiles and apparel value chains?			What are the most typical difficulties that you face in bringing new suppliers from developing or LDCs into your supply chain(s)?		
Top 5 issues.	%	Count	Top 5 issues.	%	Count
Access to trade finance	54.2%	32	Customs procedures	48.4%	15
Customs paperwork or delays	49.2%	29	Inadequate airport, maritime or transport capacity or links	38.7%	12
Shipping costs and delays	42.4%	25	Export or import licensing requirements	35.5%	11
Supply chain governance issues (e.g. anti-competitive practices)	28.8%	17	Import duties	35.5%	11
High import duties	27.1%	16	Inability of suppliers to meet order delivery times	35.5%	11
			Shipping costs and delays	32.3%	10
			Inability of suppliers to meet volume and/or quality requirements	29.0%	9

Connecting to Textiles and Apparel Value Chains – survey results

DEVELOPING COUNTRY SUPPLIERS		
What factors most influence sourcing and investment decisions in the textiles and apparel value chain?		
Top 10 issues.	%	Count
Production cost	69.8%	44
Labour skills and productivity	55.6%	35
Ability to meet quality standards	50.8%	32
Labour cost	46.0%	29
Order delivery time	41.3%	26
Business environment	38.1%	24
Preferential market access schemes	19.0%	12
Quality of infrastructure	19.0%	12
Customs procedures	17.5%	11
Flexibility of contract arrangements	17.5%	11
Proximity to final market	15.9%	10
Labour standards	12.7%	8

Connecting to Textiles and Apparel Value Chains – survey results

LEAD FIRMS : What factors most influence sourcing and investment decisions in your supply chain(s)?					
POSITIVE			NEGATIVE		
Top 5	%	Count	Top 5	%	Count
Ability to consistently meet product specifications	48.6%	17	Customs delays	47.2%	17
Production cost	48.6%	17	High transport and logistics costs	47.2%	17
Short manufacturing order completion times	45.7%	16	Uncertainty in trade regime	36.1%	13
Labour cost	40.0%	14	Business and regulatory environment	33.3%	12
Labour skills	34.3%	12	Corruption and graft	33.3%	12
Market size	31.4%	11	Absence of investment or tax incentives	22.2%	8
Bilateral, regional, multilateral trade agreements	31.4%	11	Power supply: access and outages	22.2%	8
			Other border delays	19.4%	7
			Low labour skills	19.4%	7

Aid for trade to textiles and apparel

AfT assistance:

- Support for textiles and cotton (sub-set of agriculture)
- Support for vertical integration between sectors
- Making preferences effective
- Social upgrading: job creation, female empowerment, backward linkages, compliance
- Business environment/energy/finance/trade facilitation

Aid for trade to textiles and apparel - conclusions

- Entry points in different parts of the value chain
- Market access matters (notably preferences)
- Productive capacity and competitiveness matter more to achieve scale
- Social upgrading – public/private responsibilities & approaches. Dissonance risk in standards approaches.
- Adding value requires attention to services (finance, trade facilitation, branding, design)