Over the years, assembling clothing has become a commodity. However, mere cut and sew operations are no longer a sustainable offering. To achieve the employment targets envisaged by governments, companies must provide additional services and diversify their client portfolios, possibly also developing their own products. To do this, they must move up the value chain. The GTEX Programme provides a theory of change for doing this – the ‘smiley-curve’ for value addition – and supports its implementation in the six countries it focuses on.

The Global Textiles and Clothing (GTEX) Programme addresses common sectoral challenges observed in many developing countries. These relate to changing trade patterns due to shifting brand and retailer requirements. Relying mainly on proximity and preferential market access is
no longer enough to serve clients who increasingly follow a full costing approach, selling garments at full, non-discounted prices to consumers.

Common challenges include low market diversification; dependence on simple cut and sew operations, with low service provision, low productivity levels and inadequate engineering approaches; missing national backward integration with fabrics and trims being imported; as well as social and environmental sustainability concerns. Moreover, middle management is often filled with expatriates, as companies cannot find sufficient local expertise. Also, textile- and clothing-related trade and investment support institutions are too weak to effectively enable the challenges to be addressed. Hence, the Programme works at both enterprise and institutional levels.

THEORY OF CHANGE
The ‘smiley-curve’ for value addition in the global apparel value chain provides the basis for the Programme’s theory of change. It provides a succinct overview of where and with which service offerings companies can capture value from, and add value to their operations. It also shows opportunities for closer collaboration at the regional level, to address the missing links in the value chain. The figure below shows that the most important value-adding stages are the intangible services at the pre-production (left side of the ‘smiley-curve’) and post-production (right side of the ‘smiley-curve’) stages.

Over the years, assembling clothing has become a commodity. Consequently, the ‘smiley-curve’ has become increasingly steeper, reflecting a declining share of value addition in assembly tasks. Hence, performing only simple cut and sew operations is not a desirable and sustainable position for many companies. While productivity, lean processes and social and environmental compliance on the factory floor are necessary to consolidate the existing client base and to lay the foundation for starting to move up the value chain, they are not sufficient to grow and to achieve the employment targets envisaged by the respective governments. In fact, relying only on temporary cost advantages would be dangerous. Thus, companies must move beyond production, and provide additional services, while diversifying their client portfolios.
Un groupe de créateurs tunisiens participera à une formation organisée par le Centre du commerce international (ITC) dans le cadre du programme GTEX/MENATEX, en partenariat avec l’Institut Français de la Mode.

La formation de cinq jours, qui débutera mercredi 30 septembre 2020, aura pour objectif d’inciter les jeunes designers à intégrer la scène internationale de la mode, et d’insuffler une nouvelle dynamique au secteur du textile et de l’habillement en Tunisie.

Les 18 créateurs participeront à une formation sur l’offre produit et collection, qui leur permettra de développer leurs compétences mode et style et de professionnaliser leurs activités. Il s’agira également de les aider à identifier leur propre style et à développer leur offre produit grâce à de bons outils d’analyse. Enfin, ils apprendront comment rester à l’écoute des dernières évolutions et tendances du marché.

Conformément aux normes sanitaires de la COVID-19, la formation, composée de trois modules majeurs, sera délivrée en ligne. Chaque module sera décliné en deux parties, à savoir, une analyse collective d’un sujet, permettant ainsi de tirer profit de l’intelligence collective, et un temps d’échange personnalisé pour chacun des créateurs. Cette seconde phase permettra de mieux cerner les spécificités propres à chaque designer en terme d’identité de marque. Cette formation pluridisciplinaire abordera les différentes étapes rencontrées le long de la chaine de valeur, que ce soit la création, le développement produit, la fabrication, la production, la distribution, et le marketing.
La formation sera délivrée par le professeur Jean-Marc Chauve de l’Institut Français de la Mode. Il explique qu’il abordera des questions actuelles et pertinentes pour les jeunes créateurs de marques. « Cette formation vise à contribuer au développement de nouvelles marques en répondant aux besoins d’assistance technique des jeunes créateurs tunisiens et en les rapprochant des principaux axes de la scène mondiale de la mode », a déclaré Jean-Marc Chauve.

Pour Matthias Knappe, Coordinateur du programme G TEX/MENATEX de l’ITC, le groupe de jeunes créateurs à la capacité de donner une nouvelle image au secteur du textile et de l’habillement tunisiens, en démontrant la capacité de concevoir, créer, fabriquer et finir un produit en Tunisie et de créer des marques qui vont être reconnu. « Il s’agit d’une nouvelle génération d’entrepreneurs qui veulent bouleverser le modèle de dépendance du secteur vis-à-vis des donneurs d’ordres internationaux, et promouvoir la Tunisie comme destination de mode », conclut Matthias Knappe.

**Egypt**

![GTEX/MENATEX](image)

*GTEX/MENATEX*

A silver lining: Textiles and clothing companies are seizing new opportunities in Egypt

Although medical doctor Ali El Nawawi is an experienced professional in the areas of international cooperation and health, COVID-19 presented him with a completely new challenge.

During the pandemic, Dr El Nawawi found himself working not as a health professional, but as an entrepreneur running a small enterprise, Scarabaeus Sacer, in the clothing sector in Egypt. Together with Co-Founder May Kassem, a psychologist with prior experience in the garment and textile industry, they decided to respond to the global crisis through their business.

The textiles and clothing sector is Egypt’s second-biggest industrial sector after agro-industry. Exports consist mainly of ready-made garments and home textiles. The industry was among the
most affected by the COVID-19 outbreak. According to the Apparel Export Council of Egypt, textile exports dropped by 29% in the first semester of the year and a decline in production of 40% is imminent. Companies also faced severe financial issues as international companies started to cancel orders and there were delays in payments and deliveries.

Following the government’s guidelines to keep employees safe and in good health, Scarabaeus Sacer shifted the production to ethical, sustainable and affordable masks.

“The impact of COVID-19 on our business was surprisingly positive. We managed to pivot our production to produce cloth masks and sell them at home and internationally,” said Dr El Nawawi.

The new production line showed impressive results. The fifth batch of masks is already in production.

According to the ITC’s 2020 SMECO report, Egypt is the leading African exporter of synthetic nonwoven fabrics, an essential material for filtered masks production. The African continent as a whole is responsible for 3.5% of the world exports of these fabrics. However, mask manufacturing in the continent has been limited and would need an allocation of 7% of the world’s synthetic nonwoven fabrics production to meet with Africa’s monthly requirement.

Ms. Kassem explains that as they saw the number of cases increasing in the country, the company proactively took the necessary measures to ensure production could continue.

“As COVID-19 advanced in our country, we decided to target the Egyptian market but also to offer support to other countries in the MENA region,” she explains.

As a health worker, Dr El Nawawi emphasized the responsibility to support those in the front-line fighting COVID-19. “We are a company that values ethical and sustainable production; we also donated masks to an entity called Benhayikom that supports healthcare workers in the field.”

With fresh eyes, Scarabaeus Sacer focused on improving its customer relations, infrastructure, logistics and online presence. “We had an online store from the beginning of our business. With the COVID outbreak, we considered it important to re-structure our website to improve our clients’ shopping experience,” says El Nawawi.

He believes that virtual reality and online shopping will be the new norm with the support of technological advancement.

The International Trade Centre through its GTEX/MENATEX programme, has adapted project activities to support Egyptian companies during the crisis. In-person workshops and events have been converted into webinars, online consultations and online coaching. Dr El Nawawi was among the participants in these online workshops.

“Participating in the project, we are exposed to new technologies, new textiles, sustainable/eco-friendly practices, and important certification requirements for our business, in addition to crucial business and market information that we receive. This will strengthen our competitiveness in global markets,” said Dr El Nawawi.

For the future, the two Co-Founders of Scarabaeus Sacer, El Nawawi and Kassem, are keen to explore collaborating with global ethical brands to meet buyers interested in sustainability,
They are ready to share their experience with other textile and clothing entrepreneurs, inviting them to look at the current situation as an opportunity to diversify. There is always an opportunity waiting to be seized, no matter how dire the circumstances might be.

Morocco

Here’s a look at a new initiative to revive the textile and clothing sector in Morocco.

“As Morocco’s largest industrial employer, the textile and clothing sector provides for more than 200,000 jobs. The unprecedented crisis has shut down 90% of the sector in March and April, endangering thousands of families” explains Fatima-Zohra Alaoui, Director General of the Association Marocaine des Industries du Textile et de l’Habillement (AMITH).

However, the COVID-19 crisis has not discouraged the Moroccan textile and clothing sector from mobilising and committing to aid the population. Many Moroccan companies reoriented their production to produce masks to meet national needs and to support local communities. Having been able to meet domestic demand, the sector is now also ready to export facemasks to Europe.

The AMITH and Morocco’s Ministry of Industry, Trade, Green and Digital Economy together with ITC’s GTEX/MENATEX programme have launched a series of initiatives to strengthen small businesses and enterprises to overcome the new challenges.

A new online platform called AMITH Marketplace, for example, is helping improve access to information and to connect buyers from the local and international markets with Moroccan
suppliers.

The platform connects members of the AMITH, who supply raw materials for the production of Personal Protective Equipment (PPE) as well as mask producers with local and international buyers. In addition, it also provides AMITH access to information about domestic production, products certifications issued by the Institut Marocain de Normalisation (IMANOR) and available stock levels. Overall, more than 153 profiles have been registered. The platform has received more than 4,500 visits from more than 11 countries such as France, Austria, United States, Australia and Canada.

Manufacturing and supplying PPE is a lifeline for many Moroccan textile and clothing manufacturers. The sector is ready to take on its normal business of producing fashion, while continuing to be a reliable partner for the supply of medical textiles.

Fatima-Zohra emphasises Morocco’s agility to react to the crisis and the series of activities established to promote the national sector in video messages addressed to international buyers and clients.

"As destination countries start to reopen their markets and resume business, Morocco’s textile and clothing sector with the support from its government is prepared to re-establish business and exports goods to Europe and other countries," affirms AMITH’s Director-General.

Optimistic about the initiatives taken to help the sector, Morocco’s textiles and clothing sector continues to be a reliable business partner, close to its customers, responsible and committed towards its employees and the society.

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Jordan

**MENATEX**

**Jordan textile and clothing companies forge ahead**

Funded by

السويد

Sverige
The determination of Jordanian textile and clothing businesses to survive the pandemic is strong, a recent survey reveals.

In business for the last 90 years, the Al Qadri family is a well-known name in the textile and clothing sector in Jordan. Their women’s wear creations are particularly popular. However, the company was hit hard by COVID-19.

“We had to completely stop our production for a few months. With years of work and dedication, it was not easy to watch the impact that the crisis had on our company and local sales and exports,” Engineer Ihab Qadri explains.

The company used creativity to come up with a strategy to deal with a difficult period. It used the lockdown as an opportunity for the family business to reinvent itself. “We transformed the challenge into an opportunity as the company used the curfew period for studying and evaluating our work and achievements of the past few years,” explained Ihab Qadri.

Qadri worked with a medical company to bring their idea to life. After obtaining mandatory clearances from the Jordan Food and Drug Administration (JFDA) and the Royal Scientific Society, the company received authorisation to produce a new product line called QSAFE.

“With our new line QSAFE, we were able to overcome some of the challenges faced due to the crisis. Our company now produces 2000 medical masks every day, ready to be sold at home and abroad,” said Qadri. They will also begin producing medical textiles to help meet global demands for these products.

Al Qadri is among the enterprises who participated in the International Trade Centre’s COVID-19 impact assessment survey conducted earlier this year. The survey aimed to study the impact of the pandemic on the apparel manufacturing industry in Jordan. Twenty-one of the participant companies had been receiving support from MENATEX.

According to the results of the survey, nearly all surveyed companies faced operational challenges due to the pandemic. Ninety-four percent of the participants experienced a decline in sales to local consumers. Half of the respondents reported difficulties in importing inputs and 26% of the companies faced issues in domestic procurement.

Eighty-five percent of the participant companies had to temporarily halt production.

Fifty-nine percent of the group stands ready to expand to local and regional markets. Forty-seven percent of companies intend to invest in digital platforms and e-commerce.

The International Trade Centre’s MENATEX project will continue to enable small and medium-sized enterprises to tackle the challenges posed by the pandemic and quickly get back into the market. Efforts will focus on streamlining production methodologies, improving quality as well as technical and operational capacity, discovering new offline and online markets and compliance with environmental and social responsibility standards.

The GTEX MENATEX programme is funded by the State Secretariat for Economic Affairs (SECO) of the Swiss Confederation and the Swedish International Development Cooperation Agency (Sida), focusing on six priority countries (Egypt, Morocco, Jordan, Kyrgyzstan Tajikistan, Uzbekistan, and Maldives).
and Tunisia). The programme aims to encourage exports of textiles and clothing from developing countries to promote employment and income generation throughout the value chain.

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