

IV SUSTEXNET MEETING

Competitive models in the Mediterranean:
a comparative analysis of the T&C systems
in Egypt, Italy, Spain and Tunisia

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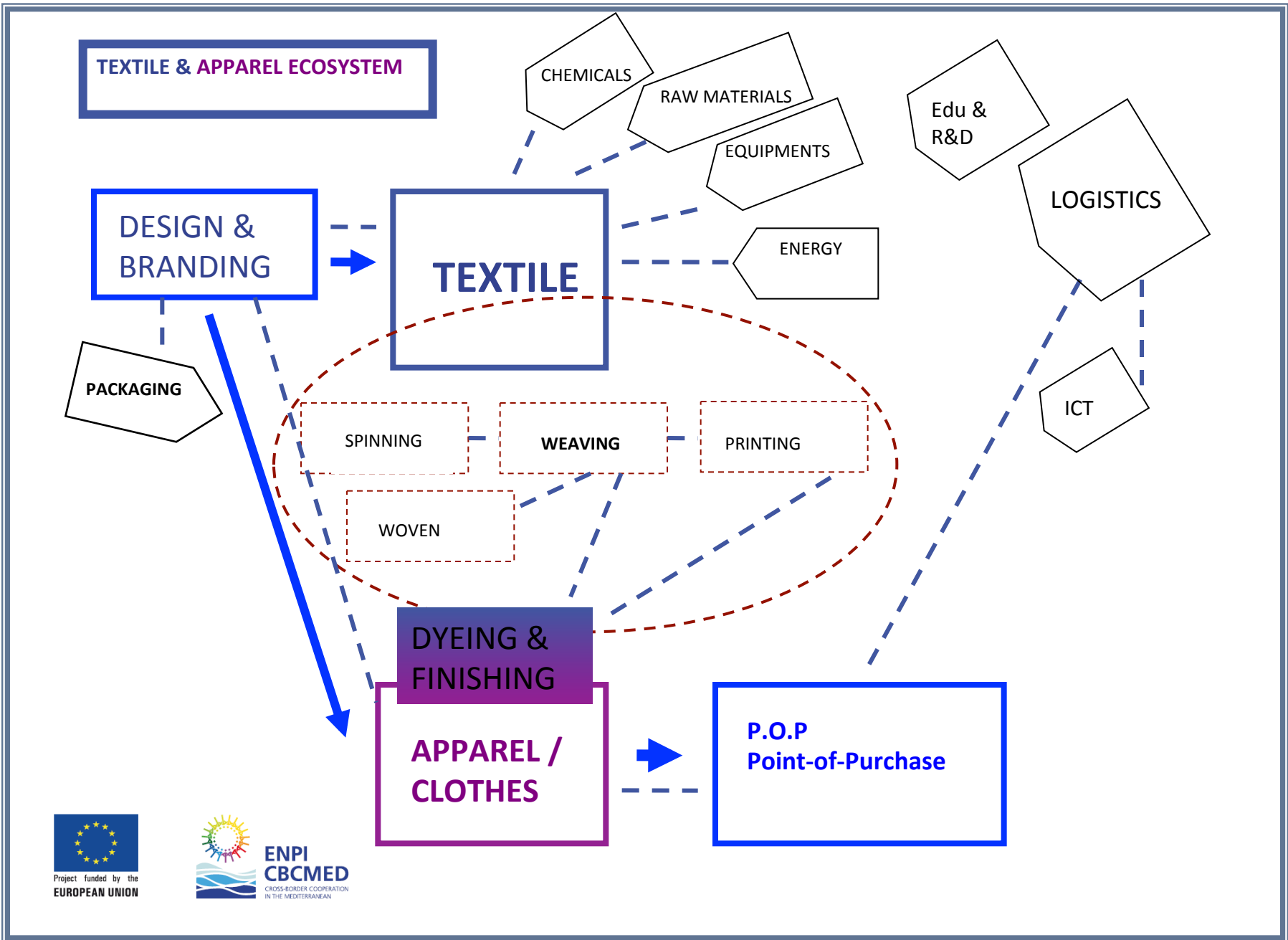


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The report offers an outlook of the **proportion of the industries** of the four countries

Table 1. General data on the T&C sector in the four countries (2014; 2011).

	Companies	Employees	Turnover (M €)
Egypt (2011/2013)	4.224	230.000 - 500.000	n/a
Italy (2012)	48.771	368.357	58.435
Spain (2013)	8.400	120.000	9.400
Tunisia (2014)	1.826	174.283	n/a

Data source: SUSTEXNET 2014 Country reports.



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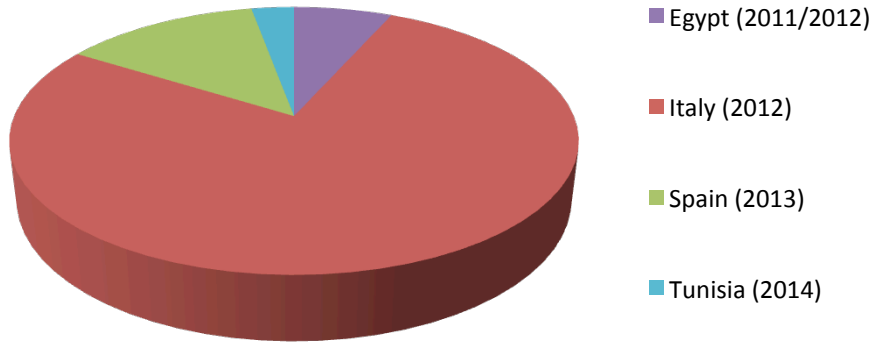
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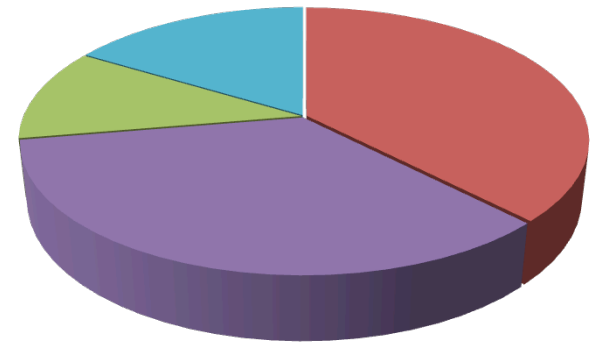
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No. of Companies



Employees



The report offers an outlook of the **proportion of the industries** of the four countries

Tav. 2 .1 – General data on the T&C sector in the four countries (2014 – 2011)

	Companies average size	Revenues per employee	Turnover (M €)
Italy (2012)	7,55	158.636 €	58.435
Spain (2013)	14,28	78.333 €	9.400
Tunisia (2014)	95,4	n/a	n/a
Egypt (2011/2013)	n/a	n/a	n/a

Data Source. SUSTEXNET Project. Country reports (2014)



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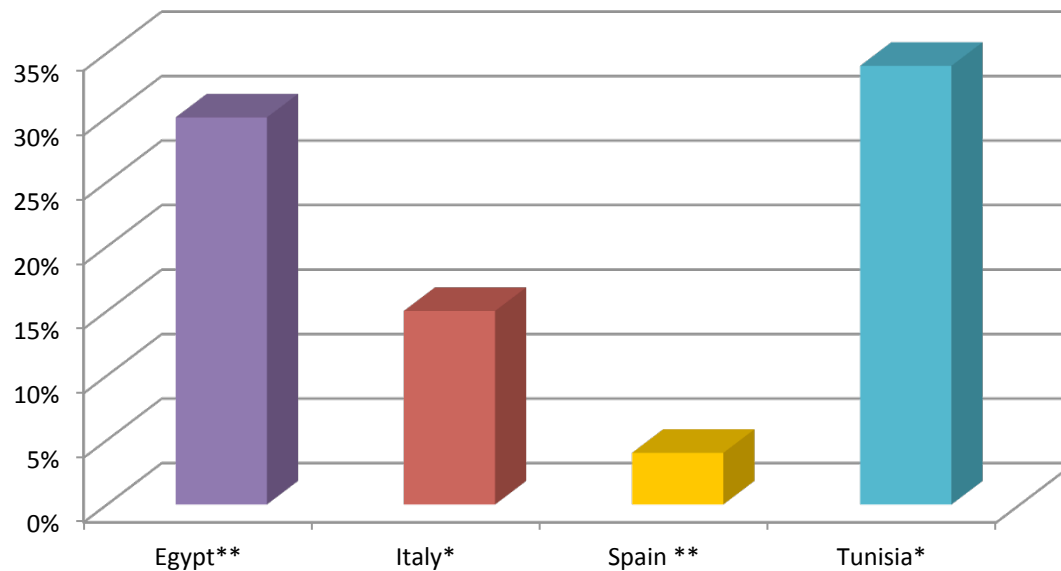
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4 General outlook – weight on national economies

...and the respective weight of the sector in the national economy.

% employment in T&C



* % on manufacturing industry employment

** % on total employment

In all four countries, activities related to the T&C tend to cluster in specific areas.

Spain: Textile in Catalonia and Valencia; Clothing and knitwear distributed

Italy: spinning and weaving (Centre); dyeing and finishing (North); apparel (distributed, slightly less in the South).

Tunisia: T&C (high concentration in the North, Center East and Sfax area)

Egypt: Textile (Greater Cairo); spinning and weaving (el Kaliobia); knitting and manufacture (elCairo city); expansion of foreign investments in Alexandria and Middle Delta.



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The report analyses the effect of the economic global crises in the four countries, in terms of productivity and employment. The downturn is attested between 15% and 35%.

	Production index	Employment
Spain	-29% (2006-13)	-35% (2006-13)
Italy	-19% (2005-11)	-25% (2005-11)
Tunisia	-20% (2008-13)	-15% (2004-13)
Egypt	n/a	n/a



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In parallel to the downsizing of the industry, the export of T&C have registered a rather steady increase. Here is major export destination of the four countries:

	Major export destinations
Spain	Europe (France, Portugal, Italy), China, USA, Saudi Arabia
Italy	Europe, China, USA, Japan, Russia
Tunisia	Europe
Egypt	Europe, USA



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The import of T&C have registered a generalised decrease except for Egypt. Here is major import destination of the four countries:

	Major import origin
Spain	China, Bangladesh, Pakistan, Vietnam, Italy, Turchia, Marocco
Italy	China, Turkey, France, India, Pakistan, Bangladesh (only 2% from Tunisia and 1% from Egypt)
Tunisia	Italy , France, Turkey, Belgium, Germany
Egypt	China, Spain, Italy



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- ❖ **Europe** still represents for all four countries the major destination of export;
- ❖ **Italy** and **Spain** has registered in the last years an increasing growth in exportation toward non-European countries (mainly China and US);
- ❖ **Tunisia** Europe accounts for 90% of exports of clothes (83% of companies exporting all production-covering 90% of employment)
- ❖ **Egypt** is still the biggest exporter of T&C in the Middle East but after 2008, exports have experienced ups and downs



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- ❖ **Italy** and **Spain** mainly rely on ASIA
- ❖ **Tunisia** 80% of imports are fabrics, 19,38% pre-cut clothes from EU
- ❖ **Egypt** increase of imports also due to decreasing competitiveness of domestic cotton industry



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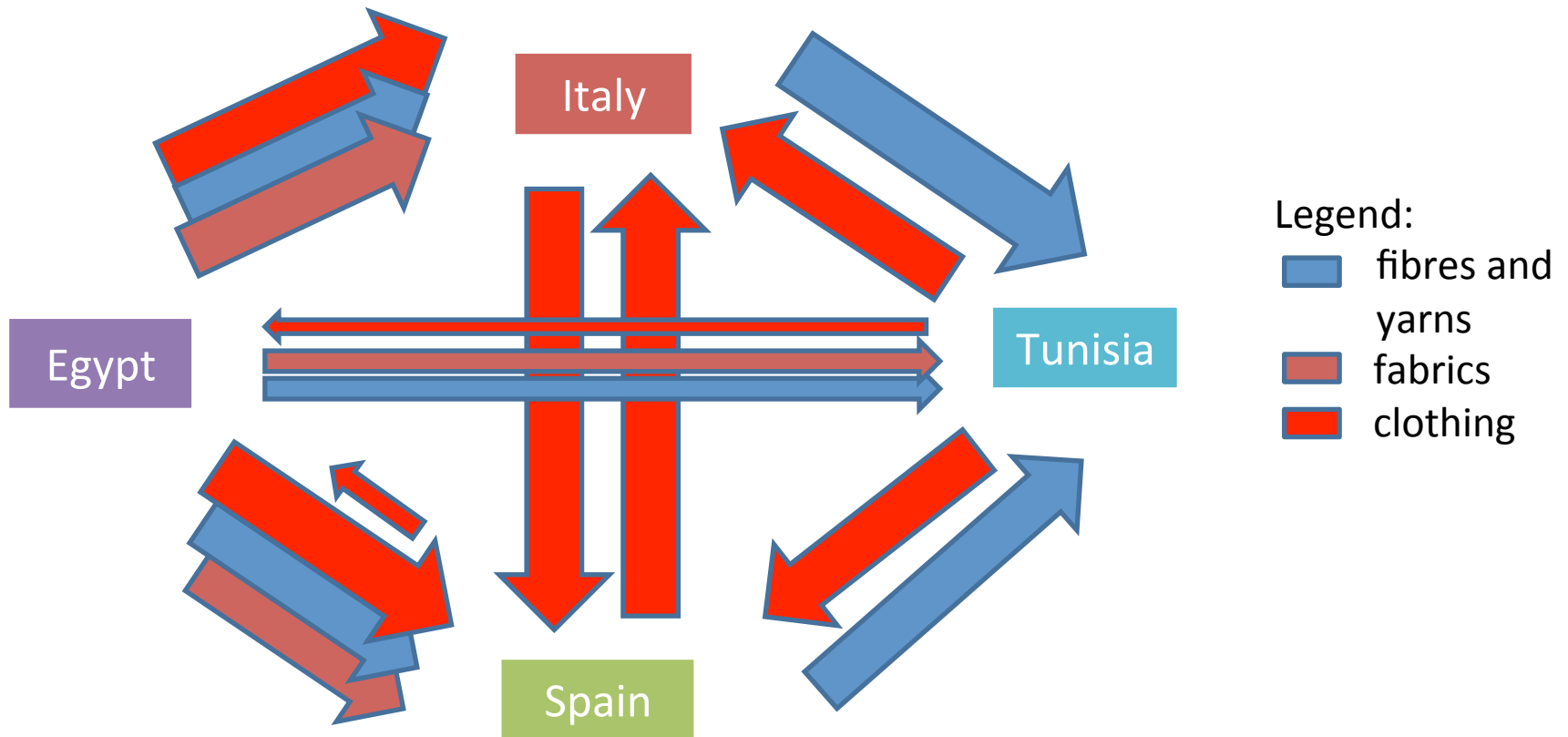


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The report identifies three major successful strategic groups.

Process innovation

- In specific segments of the value chain (spin&wav in Spain, finishing in Tunisia)
- Vertical integration (Zegna in Italy, Al Arafa Egypt)
- Linkages (MNC, Kabo, ESW)

Product innovation

- Design and branding (Armani, Prada)
- Newcomers targeting high price/quality segments
- Advanced fibre treatment in Spain

Distribution channels and logistics

- ICT platforms (YOOX)
- Distribution channels (Inditex, Mango)

Italy

- Adaptation rather than structural innovation (lower investment, higher productivity)
- In the private sector, relevant investment in the man-made fibres sector.
- Important role of the textile machinery sector (imports)

Spain

- Multi sectorial industry
- In general low investment in machinery and tech especially in textile
- Medium investments in dyeing, finishing, printing
- Interesting improvements in special treatment machinery

Egypt

- Companies in textile suffer from inferior technology and poor maintenance- low responsiveness for clothing sector demands
- Low investment in R&D
- High pollution

Tunisia

- Clear national strategy, the National programme support the upgrading of enterprises (T&C major beneficiary; clothing > textile)
- Attention to the reduction of pollution and sustainability

Italy

- At governmental level underestimation of the role of innovation, lack of national strategy
- Private sector increased attention in R&D (more innovation and value added)
- Possibilities of funding from EU programs (e.g. Eureka and Horizon2020)

Spain

- Focus on strengthening relations between R&D entities and industrial sector
- 2011-2014 strong decrease of R&D investments
- Possibilities for funding from CDTI and EU (e.g. Horizon2020)



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Egypt

- Despite the rather big number of research centres and employees in R&D, there is low level of investment as percentage of GDP
- The rate of investment in R&D is also very low
- The most important centres are the NRC (National Research Centre) and IMC (Industrial Modernization Centre)

Tunisia

- APII Agency for Promotion of Industry focuses on developing product quality
- Strategy to foster activities with high value added
- Among the priorities: ecological processes for treatment, natural fibres, natural dye, composite materials



Italy

- Multiple offer for edu and training (63 technical institutes, university courses, public and private institutions and academies)

Spain

- Level of education increased (+ high education employed; - production staff)
- Initial vocational edu; university courses; continuing vocational training

Egypt

- Structural problem of vocational edu: insufficient supply of skilled labour
- Government provides basic edu
- Low response to programme EU for edu TEVT

Tunisia

- the national system of vocational training has an institutional framework
- the reforms have have not reached their objectives
- 8 sectorial centres and 50 multipurpose
- an important role is played by private policies on human capital

Thank you!

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