Associação
Têxtil e Vestuário
de Portugal

"THE PORTUGUESE TEXTILE AND CLOTHING INDUSTRY"

October 2013

ATP – Associação Têxtil e Vestuário de Portugal

ATP - MISSION

- Unites textile, clothing and fashion companies, empowering their claims and giving high visibility to their legitimate interests;
- Defends companies, company owners and their expectations, fostering the necessary conditions for an environment that values competitiveness and development;
- Lobbies the political and administrative powers to put an end to the existing constraints and obstacles to companies' development and activity;
- Provides useful and customized services, by giving information, advice and helping decision-making;
- Secures the future, assuming the role of a constantly changing Association that follows up and stimulates the dynamics of a both traditional and modern activity.

ATP - SERVICES

DIRECT SERVICES:

LEGAL DEPARTMENT

Information, consultancy and research in the following areas: Collective Bargaining, Labour Law, Tax Law, Commercial Law, Civil Law, Competition Law

INTERNATIONAL RELATIONS DEPARTMENT

International Representation: EURATEX, IAF, ITMF, DGAE

International and community issues

TECHNICAL SUPPORT DEPARTMENT

Market research and information; National and international statistical data, Commercial information, State Aid Systems, Fashion and Textile Trade Shows

Environment, Quality, R&D, Energy, Vocational Training, Industrial Licensing

ADMINISTRATIVE DEPARTMENT

FINANCIAL DEPARTMENT

IMAGE AND COMMUNICATION DEPARTMENT

ATP - SERVICES

DELEGATED SERVICES:

Training: MODATEX - Centro de Formação Profissional da Indústria Têxtil, Vestuário, Confecção e Lanifícios

Innovation, Research, Training, Lab: CITEVE - Centro Tecnológico da Indústria Têxtil e do Vestuário

Internationalization, Trade Fairs: SELECTIVA MODA - Organização e Promoção de Feiras de Moda

Textile Information / News: CENIT - Centro de Inteligência Têxtil

Certification: APCER - Associação Portuguesa de Certificação

2 PORTO FASHION WEEK, 25-26 SETEMBRO 2013

ATP
Associação
Têxtil e Vestuário
de Portugal

ATP - SERVICES

COOPERATION PROTOCOLS:

EXAMPLES:

Informa D&B (Commercial Information)

Multigestión Ibéria, SA (Credit recovery)

EDP Distribuição (Energy)

Galp Gás (Gas)

PT Comunicações, SA (Telecommunications)

Crédito y Caución (Insurance Company Credit, insurance and Fidelity guarantee insurance)

Medimarco - Serviços Médicos, Lda (Occupational Health)

KPMG - Associados SROC, SA (Finance and Internationalization)

TMN - Telecomunicações Móveis Nacionais, SA (Mobile Communications)

ATP

Some Projects Running:

Programa Formação PME 2012-2014

SIZING-SUDOE

EUROCLUSTEX+

ATP - PUBLICATIONS

LAST PUBLICATIONS:

Diretory ATP (2013-2014)

Collective Bargaining Agreement

Guia para a Otimização da Água e da Eficiência Energética na ITV

Manual Prático de Exportação da Indústria Têxtil e Vestuário

Retail 3.0

Guia de Orientação para a Inovação e Empreendedorismo do Cluster Têxtil Moda nos Vales do Ave e Cávado (2012)

Livro “Vestindo o Futuro: Microtendências para as Indústrias Têxtil, Vestuário e Moda até 2020" (2011)

Guia dos Principais Canais de Distribuição do Sector Têxtil e do Vestuário (2011)

ATP
Associação
Têxtil e Vestuário
de Portugal

The Portuguese T&C Industry

2012

Turnover: 5.774 M €*

Prodution: 4.905 M €*

Employment: 127.976*

Imports: 3.045 M €

Exports: 4.130 M €

Trade Balance: 1.085 M €

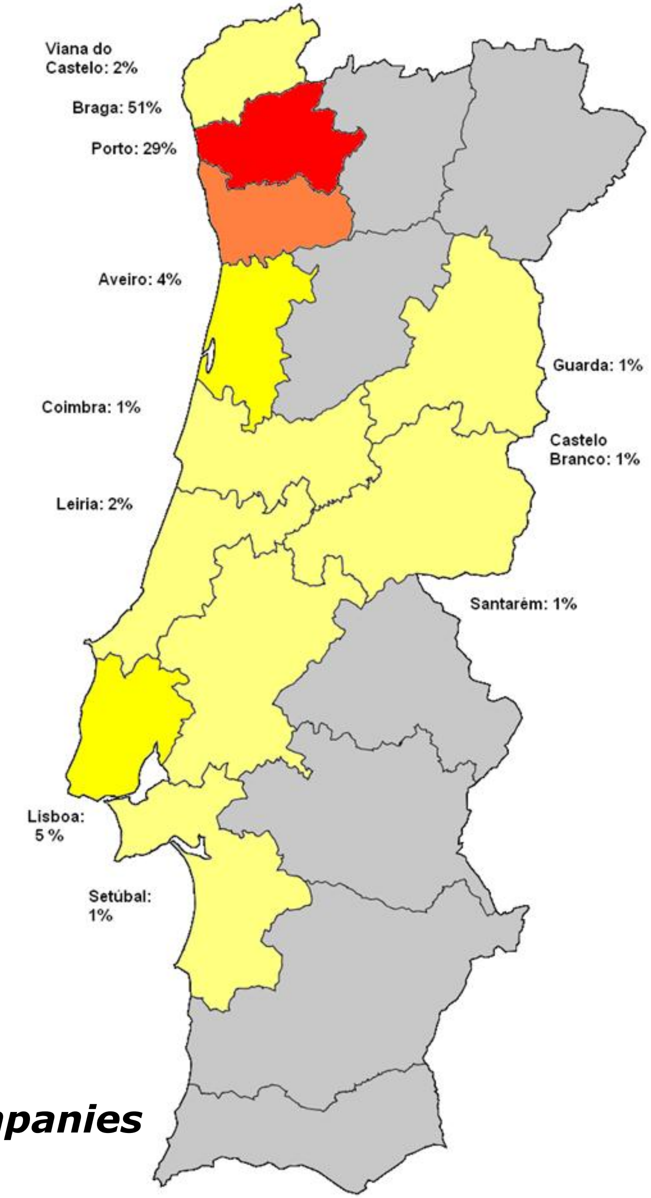
Companies: 5.000*

*estimated data.

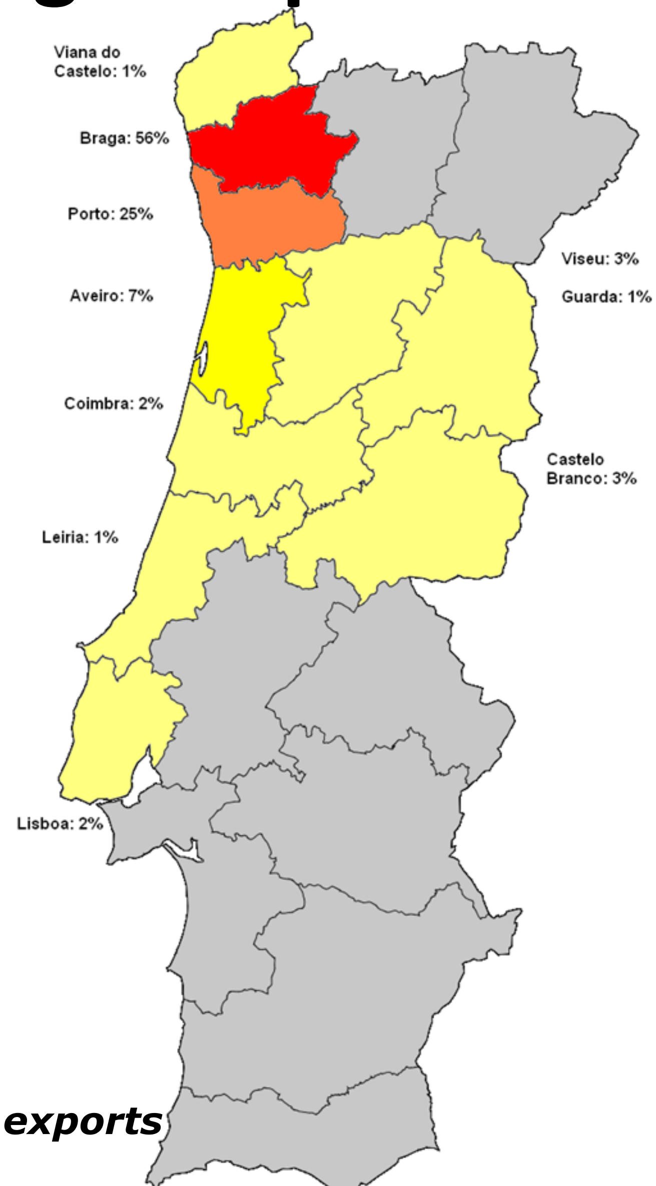
Miguel Vieira, PF#31
SUMMER 2013 OUT'12

Geographical Distribution of Textiles and Clothing Companies

ATP
Associação Têxtil e Vestuário de Portugal



companies



exports

The Portuguese T&C Industry

Evolution of the Main Figures

		2004	2005	2006	2007	2008	2009	2010	2011	2012
Production (million€)		**7.215**	**6.595**	**6.608**	**6.660**	**6.132**	**5.123**	**5.631**	***5.102***	***4.905***
	Evol.		-9%	0%	1%	-8%	-16%	10%	-9%	-4%
Turnover (million€)		**7.471**	**6.857**	**6.827**	**6.895**	**6.358**	**5.349**	**5.829**	**6.075**	***5.774***
	Evol.		-8%	0%	1%	-8%	-16%	9%	4%	-5%
Exports (million €)		**4.546**	**4.097**	**4.229**	**4.352**	**4.088**	**3.501**	**3.844**	**4.152**	**4.130**
	Evol.		-10%	3%	3%	-6%	-14%	10%	8%	-1%
Imports (million €)		**3.286**	**3.017**	**3.297**	**3.417**	**3.295**	**3.038**	**3.424**	**3.388**	**3.045**
	Evol.		-8%	9%	4%	-4%	-8%	13%	-1%	-10%
Employment		**201.064**	**191.714**	**180.379**	**176.226**	**168.117**	**148.059**	**138.124**	***133.100***	***127.976***
	Evol.		-5%	-6%	-2%	-5%	-12%	-7%	-4%	-4%
Trade Balance (million€)		**1.260**	**1.080**	**932**	**935**	**793**	**463**	**420**	**764**	**1.085**
	Evol.		-14%	-14%	0%	-15%	-42%	-9%	82%	42%

The Portuguese T&C Industry

Represents at national level:

9% of national exports

20% employment in the Manufacturing Industry

8% turnover in the Manufacturing Industry

8% production in the Manufacturing Industry

Concreto, PF#31 SUMMER 2013 OUT'12

The Portuguese T&C Industry

Fátima Lopes, PF#31
SUMMER 2013 OUT'12

MAIN PRODUCTS EXPORTED IN 2012:

Clothing and accessories, knitted or crocheted (39% of T&C total exports)

Clothing and accessories, not knitted or crocheted (21%)

Other made-up textile articles, including home textiles (12%)

MAIN PRODUCTS IMPORTED IN 2012:

Clothing and accessories, knitted or crocheted (26% of T&C total imports)

Clothing and accessories, not knitted or crocheted (26%)

Cotton raw materials, including yarns and fabrics (11%)

ATP
Associação Têxtil e Vestuário de Portugal

The Portuguese T&C Industry

MAIN CLIENTS 2012:

1. Spain (31%)
2. France (14%)
3. Germany (9%)
4. United Kingdom (8%)
5. Italy (6%)

EU27_Extra: 17%
EU27_Intra: 83%

MAIN SUPPLIERS 2012:

1. Spain (37%)
2. Italy (14%)
3. France (8%)
4. Germany (7%)
5. China (6%)

EU27_Extra: 18%
EU27_Intra: 82%

Lion of Porches, PF#31
SUMMER 2013 OUT'12

Last Figures

Production		1.º Semester 2013 (Evol.)
	Textile Industry	9,7%
	Clothing Industry	3,5%

Exports		1.º Semester 2013 (Evol.)
	Textile Industry	2,4%
	Clothing Industry	-0,5%
	TOTAL	0,7%

Imports		1.º Semester 2013 (Evol.)
	Textile Industry	9,5%
	Clothing Industry	-3,1%
	TOTAL	3,1%

Last Figures

Exports	Evol. 1.º semester 2013
Intra EU	-1,0%
Extra EU	9,6%
TOTAL	**0,7%**

Exports: Markets growing	Evol. 1. semester 2013
UK	9%
USA	17%
Angola	9%
Sweden	11%
Switzerland	19%
Tunisia	32%

Imports	Evol. 1. semester 2013
Intra EU	0,9%
Extra EU	12,9%
TOTAL	**3,1%**

Imports: Markets growing	Evol. 1. semester 2013
India	46%
Netherlands	21%
Pakistan	41%
Irland	45%
Indonesia	97%

Last Figures

EXPORTS

(thousand euros)

		Jan.-Ago.2012	Jan.-Ago.2013	Evol.
50	Silk	663	297	-55,2%
51	Wool	45.744	41.610	-9,0%
52	Cotton	90.722	94.768	4,5%
53	Other vegetable textile fibres	3.100	2.183	-29,6%
54	Man-made filaments	45.088	40.720	-9,7%
55	Man-made staple filaments	147.671	155.296	5,2%
56	Wadding, felt and nonwovens	151.646	159.476	5,2%
57	Carpets and other floor coverings	45.658	42.906	-6,0%
58	Special Woven fabrics	54.375	53.487	-1,6%
59	Impregnated fabrics	118.349	118.831	0,4%
60	Knitted or chocheted fabrics	80.040	87.163	8,9%
61	Knitted or chocheted apparel and accessories	1.081.403	1.138.282	5,3%
62	Woven apparel and accessories	599.526	543.570	-9,3%
63	Other made-up articles	324.563	360.047	10,9%
TOTAL		**2.788.547**	**2.838.636**	**1,8%**
	Textiles (except home textiles)	**737.398**	**753.831**	**2,2%**
	Apparel	**1.680.928**	**1.681.852**	**0,1%**
	Home textiles	**370.221**	**402.953**	**8,8%**

Last Figures

IMPORTS

(thousand euros)

		Jan.-Aug.2012	Jan.-Aug.2013	Evol.
50	Silk	15.172	10.517	-30,7%
51	Wool	74.486	66.307	-11,0%
52	Cotton	216.785	285.218	31,6%
53	Other vegetable textile fibres	37.149	33.035	-11,1%
54	Man-made filaments	192.680	195.040	1,2%
55	Man-made staple filaments	133.776	146.774	9,7%
56	Wadding, felt and nonwovens	41.159	45.664	10,9%
57	Carpets and other floor coverings	29.966	29.555	-1,4%
58	Special Woven fabrics	27.185	29.569	8,8%
59	Impregnated fabrics	61.974	69.275	11,8%
60	Knitted or chocheted fabrics	50.096	55.940	11,7%
61	Knitted or chocheted apparel and accessories	502.616	482.981	-3,9%
62	Woven apparel and accessories	526.887	527.373	0,1%
63	Other made-up articles	82.705	80.196	-3,0%
TOTAL		**1.992.636**	**2.057.442**	**3,3%**
	Textiles (except home textiles)	**850.461**	**937.338**	**10,2%**
	Apparel	**1.029.503**	**1.010.354**	**-1,9%**
	Home textiles	**112.671**	**109.751**	**-2,6%**

Internationalization Program

&

Since 2002 organizing actions to support the T&C I internationalization.

2013:

- **75 action (essentially participation in trade fairs);**
- **35 countries worldwide;**
- **+ 170 companies (more than 1.000 participations);**
- **9 million euros of investment.**

ATP
Associação Têxtil e Vestuário de Portugal

From Portugal 2013

ATP
Associação Têxtil e Vestuário de Portugal

SWOT Analysis

STRENGTHS

Tradition and “know-how”

Modern equipment and technologies

Flexibility and high reactivity

Complete, structured and dynamic T&C chain

T&C chain supported by consistent and developed competence centres (CITEVE, CENTI and MODATEX)

Geographic and cultural proximity to clients

ATP
Associação Têxtil e Vestuário de Portugal

SWOT Analysis

WEAKNESSES

- Low productivity
- Low educational level across the companies' human resources
- Reduced dimension of companies
- Companies' decapitalisation
- Low service rate
- Companies' individualism

ATP
Associação Têxtil e Vestuário de Portugal

SWOT Analysis

OPPORTUNITIES

- Market niches
- Emerging markets
- Industrial specialization
- Technical and functional textiles
- Companies' concentration and cooperation to gain critical dimension and competitiveness
- Proximity to clients and small series of high added value
- Fashion, brands and distribution "made in Portugal"

Associação Têxtil e Vestuário de Portugal

SWOT Analysis

THREATS

Hard International competition on basic articles, but also on higher added value ranges

Credit access difficulties and the cost of money

Persistence of economic crisis in the Portuguese T&C traditional client markets

Lack of attractiveness for young professionals, who opt for other activities

End of superior courses and decline of specialized professional education

Risk of disruption of T&C chain

7 Big Challenges for the Portuguese T&C Industry

- ✓ Survive to the impact of international trade liberalization and the international competition hardening with China and India as main players. Force the big players to respect the rules of the WTO. Ensure market access and complete the change of profile in the Sector.

- ✓ Resist to the worldwide economic and financial crisis, promoting the sector´ restructure, company's capitalization and the excellence of their operational management.

- ✓ Service rendering: gain and develop new competences in all non-productive areas, to improve its potential.
  Develop retail nets, starting with consolidated brands and creating or licencing new ones, having as main goal the Portuguese and Spanish markets, but considering these markets as one intervention space.

7 Big Challenges for the Portuguese T&C Industry

✓ Climb in the Product and Service Chain by incorporating competitiveness critical factors:

- Fashion and Design
- Brand
- Innovation and Differentiation
- R&D
- Communication and Marketing
- Distribution
- Advanced Logistics

Katty Xiomara, PF#31
SUMMER 2013 OUT'12

7 Big Challenges for the Portuguese T&C Industry

✓ **Companies´ internationalization**

- Traditional Markets: maintain quotas and look for new market niches. Paradigm: recover Germany, now through brands and structured collections; consolidate Spain as main export destination; develop France as a market type for pan-European expansion and the USA despite the instability of dollar exchange.

- Emerging Markets: look for new markets worldwide, as long as there are buying and paying consumers. Mexico, Turkey, China, India, Brazil, Russia, Arab countries.

- Relocate – without complexes – whenever the companies strategies or the markets so demand. Relocate orders or productions, depending on the business critical size in question.

7 Big Challenges for the Portuguese T&C Industry

Filipe Oliveira Baptista,
PF#31 SUMMER 2013 OUT'12

- ✓ **Human Resources qualification:** in Industry and Services. Without it none of the big objectives will be achieved. Include entrepreneurship and Sector´s chain regeneration by contracting young qualified staff but also with new entrepreneurs.

- ✓ **Gain dimension:** mergers, acquisitions and cooperation networks, both inland and abroad. Gain critical mass to access global markets and operate with equal levels of efficiency and efficacy of the European and American competitors.

AN INDUSTRY OF EXCELLENCE,
FOCUSED ON HIGH ADDED VALUE MARKET NICHES

3 MODELS OF BUSINESS:

1. Services: Specialized Sub-contract and Co-Contract
(55% of T&C)

2. Brand and Distribution Management, including retail
(25% of T&C)

3. Development based on technologic innovation. Technical and Functional Textiles
(20% of T&C)

ATP – Associação Têxtil e Vestuário de Portugal

atp@atp.pt

www.atp.pt