



**ECONOMIC AND SOCIAL
COUNCIL**

Distr.
LIMITED
E/ESCWA/ID/1999/7
18 November 1999
ORIGINAL: ENGLISH

Economic and Social Commission for Western Asia

UN ECONOMIC AND SOCIAL COMMISSION
FOR WESTERN ASIA
3 - -07- 2000
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REPORT

**EXPERT GROUP MEETING ON ENHANCING THE COMPETITIVENESS OF EXPORTS OF
TEXTILES AND CLOTHING IN COUNTRIES OF THE ESCWA REGION IN THE
LIGHT OF GLOBALIZATION AND THE WTO AGREEMENT**

(BEIRUT, 3-5 NOVEMBER 1999)

IN COOPERATION WITH

ECOLE SUPERIOR DES ARTS ET TECHNIQUES DE LA MODE (ESMOD)

EUROPEAN COMMISSION (EC)

FRIEDRICH EBERT STIFTUNG (FES)

GERMAN AGENCY FOR TECHNICAL COOPERATION (GTZ)

GERMAN INDUSTRY AND TRADE (DHIT)

INTERNATIONAL LABOUR ORGANIZATION (ILO)

00-0049

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Introduction

1. The Expert Group Meeting on Enhancing the Competitiveness of Exports of Textiles and Clothing in Countries of the ESCWA Region in the Light of Globalization and the WTO Agreement was held at United Nations House in Beirut from 3 to 5 November 1999. ESCWA organized the Meeting in cooperation with the Delegation of German Industry and Trade and the Friedrich Ebert Stiftung (FES).
2. The main objectives of the Expert Group Meeting were (a) to deliberate on issues related to the emerging requirements of export markets in view of global changes in the textiles and clothing industries, and on how exporters in the region could enhance their competitiveness in these markets; and (b) to deliberate on modalities of possible regional and international cooperation to enhance the competitiveness of exports of this branch of the industry. The Meeting also served as a forum for networking.
3. The Expert Group Meeting was attended by producers and exporters of textiles and clothing and by representatives of syndicates and committees of producers and exporters of the products from Bahrain, Egypt, Jordan, Lebanon, the Syrian Arab Republic, and the West Bank and Gaza Strip. International and regional resource persons and experts also participated in the Meeting, as well as experts from United Nations specialized agencies, regional organizations, and non-governmental organizations (NGOs) including the International Labour Organization (ILO), the European Commission (EC), the Arab Industrial Development and Mining Organization (AIDMO), the German Agency for Technical Cooperation (GTZ), and the Ecole Supérieure des Arts et Techniques de la Mode (ESMOD) (France). Other international and regional experts came from Denmark, Jordan, Lebanon, the Syrian Arab Republic and the United Kingdom of Great Britain and Northern Ireland (see annex I). Around 20 papers were presented at the Meeting and several background papers were distributed (see annex II).
4. The Meeting was organized in sessions, each session concentrating on one topic, followed by discussions (see annex III).
5. Recommendations were action-oriented, focusing on the empowerment of the industry at the national level and the coordination of its activities at the regional level. It was agreed that such goals could be achieved by creating international qualification and technical services centres, establishing a regional forum for a textiles and apparel cluster, organizing media for a regional textile and apparel cluster, undertaking studies and providing advisory services, and holding additional seminars. The Meeting requested ESCWA to prepare a project proposal for the development of the textiles and clothing industry, taking into consideration the above-mentioned recommendations.

I. RECOMMENDATIONS

6. The Meeting ended with the following action-oriented recommendations:
 - (a) Qualification and technical services centres should be established:
 - (i) Internationally recognized qualification centres such as the City Guilds of London Institute (CGL), National Vocational Qualifications (NVQ), the Italian School of High Fashion (ISHF) and the Institute of Management Services (IMS) for qualifying the human capital involved in the textiles and clothing clusters of the region should be created. These centres would offer courses leading to internationally recognized qualifications, including courses in design, marketing, business management, quality and quality assurance, production engineering, and materials management; the courses should be approved by internationally recognized qualifying institutions prior to implementation;
 - (ii) A regional mechanism for coordinating the internationally recognized national qualification centres should be devised;

- (iii) Industrialists should be called upon to increase cooperation with institutions that develop design skills in textiles and apparel industries operating in the region;
 - (iv) Industrialists should be called upon to improve contractual relationships with designers and graduates of the above institutions, thereby enhancing their status in the industry with a view to encouraging creativity and ensuring loyalty, so that talented people could serve national industries instead of leaving to work outside the region;
 - (v) The establishment of technical support centres that address the immediate technical needs of the cluster firms throughout the region should be encouraged.
- (b) A regional forum for textiles and apparel clusters should be put in place:
- (i) A regional mechanism for coordinating the activities of the regional textiles and apparel clusters should be created. Among other things, this mechanism could coordinate the establishment and enactment of sector-relevant policies, including the rules governing the interaction of the regional and national clusters with regional and international groupings and organizations;
 - (ii) A follow-up committee from participants in the Expert Group Meeting should be selected to prepare for the establishment of the technical support centres referred to above, as well as for the establishment of a regional textiles and apparel club;
 - (iii) The timely implementation of the Arab free-trade zone should be promoted and supported.
- (c) Media support for a regional textiles and apparel cluster should be established:
- (i) An annual regional "textilia" fair including business seminars, exhibits, shows and roadshows should be organized to promote the industry;
 - (ii) A regional magazine specializing in issues related to textiles and apparel should be established, and assistance from producers of well-known magazines such as *Clothing World*, *Textile Horizons* and *Textile Month* (published in the United Kingdom), as well as other magazines published worldwide, should be mobilized;
 - (iii) A regional information centre for the textiles and apparel cluster, accessible through electronic media to all people in the region, should be established;
 - (iv) National and regional cluster debates, seminars and workshops, focused on specific issues related to the industry, should be organized;
 - (v) A textiles and clothing dialogue Web site on the Internet should be created.
- (d) Studies should be conducted and advisory services provided:
- (i) A study on Arab intraregional trades in textiles and clothing should be conducted with the aim of formulating an action plan for regional integration in this industry;
 - (ii) Further empirical studies on the actual cost of environmental policies in the textiles and clothing industries in countries of the region should be conducted;
 - (iii) Action-oriented training should be introduced in the region to improve productivity and working conditions, especially in small and medium-sized clothing companies. To this end,

the ILO should be requested to translate into Arabic its publication entitled *Improving Working Conditions and Productivity in the Garment Industry: An Introduction to an Action Manual*. Such a translation should also be very useful in directing efforts towards the unification of the language used among Arab countries in this field;

- (iv) Relevant publications and subject matter should be translated into Arabic to facilitate greater diffusion of updated information on the sector;
 - (v) An accurate statistical database on textile and clothing activities in the region should be developed and easy and quick access to such a database provided;
 - (vi) Policy-oriented national studies in the textile and clothing industry should be undertaken with the aim of assisting the concerned Governments of ESCWA member countries in adopting appropriate support policies and providing adequate support services to this industry;
 - (vii) Advisory services should be provided for concerned government officials and representatives of the private sector on issues relating to regional coordination in this industry, particularly with regard to the Euro-Mediterranean Partnership agreements and the WTO Agreement on Rules of Origin.
- (e) Additional seminars should be set up:
- (i) More periodic national and regional seminars similar to this one should be organized, the next to be held soon, preferably in the Syrian Arab Republic;
 - (ii) A seminar on the European Union (EU), the WTO, and the proposed Arab rules of origin should be organized in the very near future.

(f) A project proposal should be prepared in view of the resource requirements for the development of textile and apparel manufacturing and export activities in the region, taking into consideration the above-mentioned recommendations. The participants requested that ESCWA prepare the project proposal and make a consolidated effort to mobilize financing for the project.

II. SUMMARY OF THE MAIN PRESENTATIONS AND DISCUSSIONS

A. THE INTERNATIONAL ENVIRONMENT

7. During the sessions on the international environment, the presentations addressed international market developments in textiles and clothing in general, setting a framework within which a number of relevant topics were discussed. Focus was directed towards changes in technology and non-technology features of international competitiveness in textiles and clothing as the provisions of the WTO Agreement are being applied and economic groupings are expanding, including the Euro-Mediterranean Partnership.

1. *Globalization and the textiles and clothing industry: going into the twenty-first century*

8. It was stated that the main factors influencing the new features of competitiveness in textiles and clothing industries in developed countries had been identified. They were associated mainly with changes in technology features related to smaller production runs, flexibility, improved quality, developments in the workstations, and information technology. They were also associated with non-technology factors relating mainly to the consumer becoming master of the market and the shift to demand-driven market forces, and also with changes in market structure and market relations, the emergence of new business strategies and tools, a new scope for fashion and design, and new rules governing the origin of products. It was pointed out that many of these developments would benefit small-scale producers.

9. Future market trends in textiles and clothing in the developed countries were identified as relating mainly to the following: (a) an expanded range of products in the market and an increase in the fragmentation rather than harmonization of markets; (b) continuing emphasis on the value and growth of retailers' own labels; (c) an emerging emphasis on environmentally friendly production processes; (d) continued movement towards outsourcing with the developed countries having control over design and distribution; (e) the widespread use of sophisticated knowledge-based instead of experience-based systems; (f) the broader use of mass customization instead of mass production; (g) the increased use of short instead of long production runs; (h) the adoption of quick-response strategies instead of long-run planning; and (i) the production of differentiated instead of standard products.

10. It was emphasized that for countries in the region to assess their competitive strength on the international market, they had to draw up their own "balance sheets" and identify their strengths and weaknesses in comparison with those of their competitors. The assessment should be made in terms of cost level, skill level, quality and consistency, design capability, and market proximity. The last factor was identified as becoming increasingly critical. It was noted that no one country had absolute advantages in all these factors, and countries were called upon to study their strengths and weaknesses compared with those of their competitors to determine their level of competitiveness as well as their prospects for improving that competitiveness. Thus, in designing their export strategies, countries in the region were required to direct their efforts towards capitalizing on their strengths and reducing their weaknesses in order to allow those countries to realize the opportunities open to them in the international market.

2. International market development and fashion trends and design

11. It was indicated that from the designer's point of view, for exporters to access developed markets such as the European market today, they must (a) study the market through research and analysis; (b) know that what fashion is today in Europe is the result of a century of evolution; (d) understand the relation between sociology and fashion; and (e) realize that Europe has had a solid culture of visual communication. It was noted that the European consumer was very sophisticated and was mainly influenced by the following factors: (a) quality, as European users were experienced consumers of high-quality products who appreciated the texture of the garment; thus, it was emphasized that the exporter would have to consider the material, the finishing, the cut (the visible part), and the inside material (the invisible part), as well as quality in packaging and delivery techniques; (b) time (punctuality and speed): responding to and respecting project deadlines; (c) agreements: respecting and honouring their terms (the model); and (d) legislation, as in relation to tax barriers.

12. During the session, it was indicated that fashion and creation grew, matured, declined, and then died. It was important for producers in the ESCWA region wishing to enter the European market to visit European fairs. Europe had a very strong fashion culture, even if it was not the same everywhere, and exporters in the region should learn to know and understand this culture if they wanted to find a niche in the market in Europe. Exporters from ESCWA member countries should develop their local design capabilities and creations, as creations of the ESCWA region were considered exotic and attractive to Europeans and could be a complement to European production.

3. Technology features of international competitiveness in textiles and clothing

13. Technology was a significant factor in competitiveness, as stated in the presentation. Developments in the machinery and technology used for textiles and garment manufacturing were ongoing. Major advances had been made, mainly during the 1970s. Three methods of sewing were identified to have developed during the last 20 years, namely (a) sewing on a basic machine; (b) sewing on a machine with additional elements; and (c) sewing in units. There had been no dramatic development of the automated units, but rather in computer technology and three dimensional (3D) systems. The main development that had occurred had been the formation of workstations; producers of garments were encouraged to use that form of organization for production.

4. *Discussions*

14. Discussions focused on diverse issues raised by the speakers on the emergence of new barriers to trade and their implications, with particular mention made of anti-dumping and countervailing measures, new rules of origin in textiles and clothing, and technical barriers to trade (standards and technical regulations), and the environment. Fears were voiced that developed countries were increasingly resorting to these measures as substitutes for the quantitative restrictions that had been prohibited by the WTO Agreement and were gradually being eliminated by the WTO Agreement on Textiles and Clothing. However, the same measures that prompted those fears could be seen as instruments to ensure benefits and rights for exporters in the region—the other side of the coin—that could be used to protect their interests in international trade. It was agreed that countries in the region needed to study those new issues very carefully with a view to protecting their interests in the export market. The exporters and producers of textiles and clothing were called upon to be aware of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and what it implied about copying designs and creations, and the WTO requirement for its members and those acceding to the WTO Agreement that they upgrade their patent laws. However, rules and regulations of the WTO applied only to products of countries in the region that were members of the WTO. One participant raised an important question: Did local manufacturers know what the WTO Agreement on Textiles and Clothing was?

15. Discussions also focused on the importance of promoting intraregional cooperation, an issue identified as crucial in the light of the dramatic developments on the international scene. However, the establishment of the Arab free-trade zone was advancing very slowly. It was agreed that creating such an area among Arab countries would not be an easy job because of the differences in economic systems and in taxes and customs duties. Thus, efforts should be exerted to make barriers in the region, the natural market for ESCWA member countries, disappear gradually. Those barriers were viewed as detrimental to the efforts of the exporters of the region to survive the challenges they were facing in the international environment.

16. Other comments focused on the importance of quality as well as quantity in exporting to the international market, and of ensuring the flow of the product. However, the problem identified in that context was that most producers were copiers and not innovators, while it would be better to be a leader in the coming new era. The importance of adopting the strengths, weaknesses, opportunities, threats (SWOT) analysis was noted. Participants were reminded that the textiles and clothing industry was a labour-intensive industry in which 80 per cent of the work was done by hand, and the rest was done by machines, and thus efficiency in that industry came from skilled labour, not from machines. If ESCWA member countries concentrated on niche markets, such as those in Europe, the barriers to access to that natural market should gradually be eliminated. But to gain access to that market, countries in the region needed to know what the economic situation of the South-East Asian countries would be by the year 2005, when, according to the WTO Agreement on Textiles and Clothing, the entire industry would be integrated into the WTO, and international trade in its products would be totally liberalized. However, what was more important was asking first whether countries in the region were willing to export, whether they had saturated their domestic markets (considering that they imported three times as much as they exported in textiles and clothing), whether they should establish trade barriers to imports, and what they were doing to curb exports.

5. *Origin of products*

17. The origin of products and the new rules and regulations governing international trade in textiles and clothing were important topics addressed during this session. Dramatic developments in the liberalization of international trade in the light of the WTO Agreement and the evolution of regional economic cooperation groupings, in particular the Euro-Mediterranean Partnership and the forthcoming Arab free-trade zone, had led to the increased importance of this issue. The WTO Agreement on Rules of Origin and the new EU preferential rules of origin in textiles and clothing were briefly introduced, followed by a comparative analysis of the Euro-Mediterranean Partnership agreements concluded by the EU with Jordan, Morocco and Tunisia, insofar as the rules of origin in textiles and clothing were concerned.

18. It was pointed out that determining the origins of traded products was a very complicated process necessitating the application of a series of criteria to define the origins of such products. Given the worldwide trend towards reducing tariff rates, the functions of the rules of origin were increasingly

changing; they were becoming instruments that monitored the international border crossing of traded products. It was noted that great differences among countries in the application of such rules impeded efforts to facilitate international trade, particularly within the current context of globalization, multi-country processing, and increased initiatives for regional economic cooperation.

(a) *The WTO Agreement and non-preferential rules of origin*

19. Although multilateral disciplines had been established under the WTO Agreement to facilitate the globalization of production, the WTO still allowed a variety of instruments controlling and restricting international trade, among which were rules of origin. The WTO Agreement on Rules of Origin concentrated on ensuring harmonized non-preferential rules of origin and establishing a programme for the harmonization process to be completed in three years, starting January 1995. It was noted that the Agreement ensured that such rules of origin were transparent and did not have restricting, distorting or disrupting effects on international trade. They were to be administered in a consistent, impartial, neutral and reasonable manner, facilitating the flow of international trade. The WTO Agreement also stipulated that those rules were based on a positive standard that stated what conferred origin and what did not. Preferential rules of origin were covered in the annex to the WTO Agreement on Rules of Origin entitled "Common declaration with regard to preferential rules of origin". However, the legal value of that declaration was not clear. For the long term, the Agreement was aimed at harmonizing preferential rules of origin.

20. The WTO Committee on Rules of Origin was established to develop the harmonized rules in conformity with the main principle. The origin of a product had to be determined in the light of where the product was wholly produced, or, if more than one country was involved in its manufacture, where the last substantial transformation might have been carried out. The implementation of the programme had been postponed from July 1998 to November 1999, and numerous technical and policy difficulties had been faced during the ongoing negotiations on harmonization. Differences in views among major trade partners were various; one major difference concerned the exact meaning of the concept of "substantial transformation" in general and in textiles and clothing in particular. What the outcome of discussions on harmonization would be was not clear. Nevertheless, provisions of the Agreement stated that until the programme for the harmonization of rules of origin was completed, members should ensure, among other things, that their rules of origin were not used as instruments to pursue trade objectives, directly or indirectly.

(b) *The European Union's new preferential rules of origin for textiles and clothing*

21. The EU preferential rules of origin for textiles and garments were briefly described. A general "two-stage process" rule stated that an imported garment would satisfy the new EU rules of origin if it underwent two distinct stages of manufacture in a particular country or territory. Different variations of this rule applied in various areas such as the manufacture of printed and embroidered fabrics. Those basic rules of origin were common to all of the EU preferential trade arrangements. In addition, the EU rules allowed for "bilateral cumulation", a provision under which conferring products produced in the EU might be used in the country where the final product was manufactured. Thus, garments made of fabric of EU origin could easily satisfy the rules of origin through the second stage (making up) only. There were some variations in applying the EU definition of cumulation under the preferential rules of origin. The rules of origin under the Euro-Mediterranean Partnership agreements with the Maghreb countries were based on "full cumulation", while bilateral cumulation was applied under those with Jordan and the Palestinian Authority. In the future, cumulation between countries (known as "diagonal cumulation") would be allowed in this area. Diagonal cumulation had been adopted with the Eastern European countries, and the application of full cumulation was under consideration.

22. The future for rules of origin in the whole of the Mediterranean area was briefly explored. The Euro-Mediterranean Partnership agreements had set 2010 as a target year for introducing a free-trade area to include the Union and its partners, which would be implemented through agreements between the Mediterranean partners themselves as well as between the EU and the Mediterranean partners. That new relationship would eventually lead to agreements based on cumulation of origin allowing, in addition, diagonal cumulation between the countries in the zone. However, for such a system to function fairly, all

partners in the zone had to apply the same criteria for determining origin. Furthermore, to apply cumulation throughout the Mediterranean, additional administrative mechanisms would be needed. Full cumulation would call for extra administrative means of cooperation and more involvement of the commercial operators.

23. The extent to which the EU preferential rules of origin could be used to enhance the competitiveness of textile manufacturers in the ESCWA region was seen as considerable. Bilateral cumulation with the EU was there to be taken advantage of. Regional diagonal cumulation would greatly enhance opportunities for increased trade. According to the speaker, Mediterranean partners should negotiate for what they could achieve, namely diagonal cumulation; however, those partner countries were advised to avoid any delay in implementing diagonal cumulation by looking for full cumulation from the beginning.

24. Another speaker called for coordinated efforts among the Mashreq countries that were in the process of negotiating association agreements to achieve full and diagonal cumulation. It was stated that the EU was the most important economic and financial trading partner of the southern Mediterranean countries, accounting for more than 50 per cent of their combined external trade. Most industrial exports of those countries had already received preferential customs treatment through the generalized system of preferences (GSP) and existing bilateral agreements. Therefore, they would gain little from the EU agreements in the short run, and they would have to put an end to the protection of their industrial imports from the EU.

25. Full and diagonal cumulation should be negotiated as both were relevant to the southern Mediterranean countries in two ways. First, they could enhance the potential for intraregional trade, thus offsetting, at least partially, the "hub-and-spokes" paradigm. Second, full and diagonal cumulation might together encourage vertical and horizontal linkages in the domestic industry in each of those countries. Thus, countries in the region could benefit from the cooperation agreements with the EU.

26. Attempts should be made to achieve the required coordination between the private and public sectors, with the private sector represented on the negotiating team. In addition, coordination should be developed among the partners; attempts so far in that regard had been going very slowly, namely within the context of the establishment of the Arab free-trade zone. In the absence of coordination, agreements would tend to be discriminatory, as was the case with regard to those agreements concluded with Maghreb and Mashreq countries, offering non-Pareto-optimal outcomes to the partners. Their benefits from free trade, if any, might diminish, while the gains to the EU would increase. Negotiating countries should ensure that they had permanent and experienced members on the negotiating teams.

6. Discussions

27. Participants agreed on the fact that agreements were discriminatory and that each individual agreement was designed to serve the interests of the producers in the EU, endangering the interests of the trading partners with which they were entering into new forms of trade and economic cooperation. It was also agreed that those rules were being imposed unilaterally on the Mediterranean trade partners and would cause injury to the industry of those partners, without their being able to negotiate those rules or suggest amendments. It was clearly pointed out that the EU was trying to protect its industry from the flow of more competitive Asian products, in particular artificial fibres, yarns and fabrics.

28. Participants emphasized that the situation of textile and clothing exporters in countries in the region was becoming so critical that if the countries of the EU continued to apply those rules, many of the region's exporters, in particular small producers, might lose their businesses. Thus, coordinated efforts among countries of the region in the negotiation of the agreements, especially those concerning rules of origin, were considered detrimental to the health of the industry in the region. Other participants suggested that exporters in the region should attempt to target quality-enhancing measures to increase the competitiveness of their products and decrease the impact of the restrictive measures of the EU rules of origin.

B. INTERNATIONAL TRENDS IN TEXTILES AND CLOTHING

29. Issues discussed during this session related to the challenges facing the textiles and clothing industry in the 2000s, focusing on the impact of non-technology features and trends that had been affected by the introduction of technology. The participants attempted to look into the trends of the future, examining the competitiveness of the textile and clothing industry in the light of evolving trends in information technology.

1. *Non-technology features*

30. It was noted that the market was changing. Most markets were seen as competitive, so manufacturers needed to improve their competitiveness in terms of output, production costs, quantities, consistency in product quality, and distribution services. The market was placing more emphasis on innovative product design, production flexibility, and quick-response strategies, stimulated by the needs of the consumer. Areas were identified in which sectors and organizations in developing countries had to change to be more competitive in the way they managed their businesses in the light of globalization and world market trends. One issue highlighted was management skills. In developing countries, especially in small and medium-sized firms, there was a need for formal basic and advanced training in new techniques and practices generated by new technology, materials management, production engineering, time standards, quality assurance, production planning and process time, the utilization of available skills and improvement of communication skills.

31. Quality and standards concerns represented additional challenges facing exporters. The quality of raw materials and labour, the type of processing required and the systems, methods and practices required to ensure a consistent, standard quality of the product should be taken into consideration. Quality also should be a consideration starting in yarn and thread processing, the production and finishing of fabric, and the printing and dyeing processes. Many problems encountered in developing countries were created by the enterprises themselves, in that few enterprises measured or tested the quality of the fabric purchased or the widths of the fabric batches.

32. Other important challenges facing exporters related to manufacturing systems and methodologies. One method was to design teamworking systems using integrated sewing units based on the "just-in-time" principle and another method was to "de-skill" all manufacturing operations to reduce training time. The first required a high level of capital to set up and a multi-skilled team having the necessary skills to perform all operations in the sewing process, which many small to medium-sized enterprises had not been able to afford. The second required manufacturers to reduce sewing cycles not less than 20 seconds to make them efficient and to enable them to produce consistent quality. Manufacturing layout varied from enterprise to enterprise and was determined by the space and shape of the buildings, with consideration given to space between machines, space at the workplace, lighting and so on. Other challenges mentioned related to selecting appropriate types of materials handling systems (designed to reduce handling) and designing the workplace to ensure consistent product standards, with machines laid out in such a way that good flow of work was obtained. Flexible layout was the key to quick response. Components of materials handling systems, outside as well as inside the manufacturing process, were listed, including handling at the place of the workforce, process handling, machine layouts, throughput times, stock control, and modes of transport.

33. International time standards based on average times could be used to assess the average performance of a company; however, they would only serve as guidelines. Time standards varied by country and location, depending on the type and quantity of products, the machines used, layout, materials handling, and labour skills used in the manufacturing process. The complexity of the product and the quality of raw materials used played a major role in determining the finished product. A comparative performance indicator showed that while in Germany a worker's production value per year averaged around US\$ 107,000, in the Syrian Arab Republic it averaged US\$ 17,000. Indicators are related to the value of the product. The higher the material value, the higher the indicator.

34. Management requirements for "quick-response" constituted another challenge facing developing countries in the textiles and clothing industry. Quick-response and just-in-time techniques were created by companies in developed countries to fill their customers' orders more quickly, to reduce stock levels in the

light of diminishing orders for bulk production, and to respond rapidly to market changes. That required setting up an organizational and management structure to respond to organizational and customer needs in terms of planning smaller orders by product style (model), material quantities, colour and size ratios, improved modes of transport and quicker delivery schedules. It required, among other things, defining purchasing, quality and quantities, lead times, setting up formal quality control procedures and systems, establishing new production engineering methods, redefining worker skills in order to create a multi-skilled workforce, encouraging teamwork, improving productivity, and introducing group incentive schemes. It required, in addition, the reorganization of management systems, methods and techniques, as management was sometimes linked to culture. Developing organizations and addressing cultural needs when entering new markets and servicing those markets on a just-in-time basis was seen as especially challenging. It was emphasized that change was necessary for future growth. However, changes to achieve quick-response could not be accomplished overnight; they had to be implemented on a phased basis to ensure that the changes worked. Management checklists provided an appropriate way to bring about change.

35. It was pointed out that in marketing, more efficient ways of packaging and delivering the goods to the customer needed to be developed to replace reliance on set manufacturing and delivery dates. Marketing departments had to be organized so that market information and intelligence gathered on fashion trends and required quantities were obtained on a regular basis. In addition, manufacturers had to form closer relationships with their fabric suppliers for the just-in-time principle to work. With the new innovations, such as home shopping on the Internet, manufacturers had to have the ability to supply out-of-stock products at short notice. While that was practical in developed countries owing to the proximity of the industry to the consumer, it was not always practical for others, particularly in developing countries, unless the markets were local or regional. That difficulty raised the question of what market exporters in the region should supply.

36. It was indicated that private sector enterprises in many developing countries, including the ESCWA member countries, were introducing new approaches to export promotion, such as setting up export syndicates, forming companies to sell their product ranges to the international market, manufacturing garments without finishing for the finishing company in the customer's country, and using computer-generated designs, storyboard patterns and digitized markers for their overseas manufactures. The problem raised was that developing countries spent a great deal of time copying instead of innovating, which showed a vital shortage of "skilled" designers.

37. Many developed countries were outsourcing products from developing countries, and if ESCWA members were to supply these countries, they would have to become more efficient in the way they managed and marketed their businesses. The setting up of centres offering qualifications associated with international standards was noted as one way of gaining competitive advantage.

38. It was concluded that future growth of the industry in developing countries would depend on firm strategies for every area of the business, especially management training. That meant that a certain amount of restructuring and business process re-engineering would be required to accommodate future growth strategies. Finally, for exporters to be competitive in the international market as well as in their local and regional markets, Governments and enterprises in the region would have to consider policy implications and strategies that might affect their exports and imports and the future growth of their countries.

2. Evolving trends in information technology and the competitiveness of textile and clothing exports

39. The presentation addressed issues relating to the multiple uses of the Internet in industrial production and marketing. It was emphasized that several marketing and industrial innovation trends were affecting the textile and clothing industry worldwide. One global trend affecting the industry was the use of the Internet. It was recommended that the Internet should be used in the textile and clothing industry for various purposes, including informational and promotional, electronic mail (e-mail), push and transactional purposes.

40. For information and promotion, an Internet web site could be set up to provide a description of the industry, the processing plant, the design house and/or the products. The promotional function of the web site was essential to the textile and clothing sector in the region as a tool to spread their products and broaden their markets. As an example, the Egyptian Knitting and Ready Made Company had a web site (<http://www.internetegypt.com/etc>) where a textile and clothing firm could find information about the products, the process and the quality of the garments. Some companies in the ESCWA region went beyond that by showing figures concerning their manufacturing plants and their exports.

41. The speaker referred to, a major site for trading and bidding in this sector (<http://www.textileweb.com>), which provided a search engine for all kind of products, machines and articles related to the textile market.

42. Push technology was mentioned as an effective means of promotion in the textile and clothing sector in the region. A user was in a push mode on the Internet, when he or she received information on his or her desktop without clicking for it; the process was compared to broadcasting. This mode should be used to broadcast newsletters and other materials to potential and regular customers.

43. E-mail was described as the first means of communication among people on the Internet; it provided services faster than the regular mail and cheaper than the facsimile. In the textile and clothing sector e-mail was used mainly for communication with suppliers and customers and for the transfer of CAD/CAM files. E-mail was considered a tool to minimize communication costs and to obtain clear documentation using less space than the traditional methods.

44. The transactional mode--commonly tagged as electronic commerce (e-commerce) which had evolved into electronic business (e-business)--was the final mode recommended. For e-commerce to work, two parties had to execute an exchange of some form. The exchange involved in document or "digital money". One of the first companies in the textile and clothing sector in the region to become interested in e-commerce was Kindou (<http://www.kindou.com>), which offered a catalogue of products to local and foreign customers.

45. It was revealed that e-commerce offered the best way to do business worldwide at the lowest cost. Having an e-commerce platform on a firm's web site was seen to be almost as effective as having a fixed shop; advertisements could be displayed in banner form on fashion and textile sites. Few firms were engaging in e-commerce; entering the field early would give these companies a comparative advantage when the market matured.

46. Firms involved in the textile and clothing industry were encouraged to get on the Internet and to take advantage of at least three modes (e-mail, promotional possibilities and e-business). Information technologies were the tools the textile and clothing industries need to become more competitive. The presentation was concluded with the statement: "By getting on the Internet, there is a lot to win and not much to lose".

3. Discussions

47. Discussions focused on the importance of the Internet and the new opportunities it was creating for the industry, in particular garment and fashion small and medium-sized enterprise (SME) producers. The Internet was seen as more useful to SMEs than to big companies, as it provided a chance for small countries and businesses to get to the level of larger countries and companies. It was mentioned that the Internet was booming, and information technology could bring many advantages to the textiles and clothing industry. In compliance with WTO rules, the cost of telecommunications would drop in countries once they joined the WTO. The Internet was a tool for the exchange of ideas, and it was a much cheaper medium for advertising than a brochure. When the question of fraud on the Internet was raised, it was suggested that the incidence of fraud was very low. Discussions ended in agreement that the Internet could be the niche market for exporters of textiles and clothing in countries of the ESCWA region.

C. COMPETITIVENESS IN TEXTILES AND CLOTHING

48. The session focused mainly on environmental aspects of international standards in textiles and clothing. It was stated that nothing had happened for the last 100 years in textiles, and price, quality and design continued to be the three primary marketing tools used in different mixes. A fourth factor had appeared: the environment. It did not replace the others, but it had to be treated equally. The idea of the life cycle approach (LCA) and its development was exemplified by Green Cotton, which had been introduced as a brand with a sustainable commitment. It was indicated that the LCA was closely linked to the EU rules concerning the environment, as it provided for a common labelling system designed to convince the consumer that the product was environmentally friendly.
49. The idea of Green Cotton for the future was explained through the processing of a T-shirt using the LCA, which called for a consideration of the following processes: growing the cotton, ginning, spinning, knitting (or weaving), dyeing (or printing), manufacturing (cutting and sewing), using the material, and disposing of wastes. In the EU "green claims" were growing, "green labels" were proliferating, and everyone was trying to make "green profit". The EU had made common rules within the "green sector" to protect the "green consumer". Those rules were developed for three activities: organic farming, eco-labelling, and eco-management and audit schemes (EMAS)—all environmental tools in textiles. The rules were an attempt to govern three important areas. Organic farming had set standards for processing agricultural products. Eco-labelling had set standards for the whole life cycle of an industrial product. EMAS controlled the industrial plant but did not explain anything about the product itself and would not be used as a marketing tool. However, it was noted that the debate on those rules was still going on in the EU countries, despite the fact that they had been agreed upon several years ago. That notwithstanding, preserving the environment was a commitment, and the issue was going to gain more importance in the future. Any company wanting to export to the EU needed to consider the environmental issues.
50. The subject of eco-efficiency in the textile industry as a winning situation in terms of both cost and environment was addressed. The discussion was based on the findings of a recent study funded by the EU, which evaluated the overall environmental status of the Syrian textile industry. It was stated that the Syrian textile industry showed a general lack of concern about the environmental impact of its operations, in particular about the consequences for public health and about any legal liability and adverse publicity linked to the mismanagement of wastewater effluents from processing operations. That lack of concern was traced back to a lack of incentives for the textile industry to improve its operations in that respect and to the lack of a legal framework. The Syrian Government considered the textile industry to be a major industry making a significant contribution to the national economy. Cotton fibre processing into yarn had been a public monopoly until recently, when the private sector was allowed to become involved in that activity. Syrian textile mills utilized a wide variety of dyes and chemicals as part of their wet processes. Many of those chemicals were not retained in the final textile products and were discarded in the environment. Liquid effluent discharges from the textile industry were classified as major dangers adversely affecting the environment.
51. The majority of Syrian textile mills were old, some over 35 years old, in particular those in the public sector. Old technology and dilapidated machines and equipment had been found to be responsible for increased levels of water consumption, wastewater and solid waste generation, and worker health endangerment. Water consumption was high, and most mills did not employ any type of treatment for the effluent water. Average annual consumption of electricity in the textile mills was high. Polluted air was discharged directly into the atmosphere; no regulatory standards for flue gas emissions from chimneys existed.
52. Technical recommendations related to the following: (a) in-plant controls to reduce pollutant discharge into the environment, subdivided into process changes for water and energy savings, pollution prevention, chemical substitution, and material reclamation; (b) effluent treatment technology, subdivided into four treatments: preliminary, biological, chemical, and physical; and (c) economic analysis, as the core justification for the implementation of any pollution prevention proposal. For instance, water was subsidized in the Syrian Arab Republic and had a much lower value than its real worth. Were it priced at a higher value, an incentive would have been created to encourage all possible water-saving measures in production

activities. Economic instruments such as total cost analysis (TCA) should help decision makers understand the outcome of any pollution prevention project they intended to undertake.

53. It was concluded that product quantity and quality should not be sacrificed in the implementation of pollution reduction measures. It was pointed out that not all pollution prevention projects were capital-intensive. Simple practical housekeeping measures based on common sense and voluntary action might prove extremely beneficial and could be implemented at low cost.

54. The *Good House Keeping Guide* was presented, concerned with environmental management guidelines for SMEs. The main objective of the guide was to encourage enterprises to do the following: (a) reduce the use of raw materials and supplies; (b) use raw materials and supplies efficiently; (c) reduce consumption of water and recycle and dispose of it in different containers; (d) handle and transfer materials and products effectively; (e) save water, reuse it, and eliminate its loss; and (f) save energy.

Discussions

55. Questions were raised about eco-labelling as a real concern for the consumer. Would the consumer be willing to pay for the increased costs entailed? If not, would Governments subsidize the transition of industries? Other remarks touched on whether eco-labelling was something forced upon developing economies and whether its absence constituted a barrier for entry into developed market economies. Concerns focused on what benefits eco-labelling brought to the producer. It was stated that ecologically sound production methods might result in less productivity, with a loss of up to 15 per cent of current crop production. It was not clear to some participants what "organically certified" really meant.

56. It was stated that scepticism always developed when there were changing circumstances; many things commonly accepted today were received with many doubts when they first appeared. Organically certified production methods might seem strange today, but might be commonplace in the future. It was emphasized that the environment should be included as the fourth variable of traditional marketing elements, although competing in the area of price was an exhausting race. The same machinery was available worldwide with the same patterns; therefore, what industries had to do was find new areas of added value. Eco-labelling was just such a new dimension, which took into account consumer education.

57. It was noted that the issue of the environment was not a divisive one between developed and developing economies; it was simply a response to a market situation and to a real demand. However, some participants insisted on the importance of a gradual approach, of setting up an action plan with a financial budget that would foresee the reinvestment of profits for the purpose of improving the production line.

D. SPECIALIZED SUPPORT INSTITUTIONS PARTICULAR TO TEXTILES AND CLOTHING

58. In this session, the work of support institutions was presented and discussed. The topics covered were the ILO manual, *Improving Working Conditions and Productivity in the Garment Industry: An Introduction to an Action Manual* and the experience of the French service institution, Ecole Superior des Arts et Techniques de la Mode (ESMOD), the Syrian-European Business Centre (SEBC) and the German Chambers of Industry and Commerce and other support institutions.

1. *Improving working conditions and productivity in the garment industry: an introduction to an action manual*

59. It was stated that the ILO had produced the manual for the small-scale garment industry because small companies played a significant role in economic life and represented a big share in the region. The ILO gave small-scale clothing industries high priority because of their importance with regard to exports, the issue of working conditions, and employment (especially job opportunities for women). The ILO felt that a new approach was necessary to create more and better jobs in small garment enterprises because Governments could not do all that was needed in promoting SMEs, and to focus on the special needs of small garment industries in a globalized market. It was stressed that a better workplace helped to increase productivity, and

that creating such an environment was not an expense, but rather an investment. An improved workplace meant improved quality, quantity, timeliness of production, human and industrial relations, workplace flexibility, and production planning and work flow. A better workplace also helped increase productivity by enhancing employer self-esteem, worker involvement and commitment, and enterprise competitiveness and image.

60. Long-term development of the work improvement in the small enterprise (WISE) approach was briefly described as a voluntary undertaking promoted in Asia, Latin America and Africa since the 1980s. Its principles were focused on achievement, linking improved working conditions with other management goals, building on local practice, emphasizing learning by doing, encouraging exchange of experience, and promoting worker involvement. The approach was described as meeting both economic and social goals; it was simple and used low-cost techniques, was readily adapted to local conditions, and resulted in sustainable action.

2. The services of Ecole Superior des Arts et Techniques de la Mode

61. The presentation focused initially on the historical background of ESMOD, the fashion-design college, in France. The college was founded in 1841 by Alexis Lavigne, who was purportedly the first to teach pattern-crafting classes. This college, recognized by the State as the most important in the textile and clothing industry, participated in international exhibitions, and Lavigne published a manual on pattern crafting which was translated into English and German, making the secrets of his profession known to the public and exposing ESMOD to an international environment. The college was said to be the first to teach both fashion design and pattern crafting. It also created a partnership with the Fashion University of Lumiere Lyon 2, the European Management Superior Institute of Fashion, which combined fashion and business.

62. Currently an integrated research team at ESMOD in France was reported to be developing pedagogical means of ensuring progress and evolution of the profession of fashion design. Professionals were contributing their advice and experience in order to strengthen the quality of education.

63. ESMOD was said to have an international presence. It had established colleges in 20 different countries, and enrolled 1000 students every year who were taught by 50 professors. Two such colleges had been established in the ESCWA region: one in Damascus and another more recently in Beirut. In Paris, its students body was composed of 61 nationalities. The best 15 graduates of the colleges worldwide were accepted every year at ESMOD in Paris, where they were assisted in launching their own lines. It was indicated that ESMOD was engaged in student exchange programmes with Fashion International Technology (FIT) in New York, Fashion Institute of Design and Marketing (FIDM) in Los Angeles, the Rio Fashion University (Zuzu Angeles) and other fashion schools throughout the world. It was believed that interaction between firms and ESMOD colleges was positive for both; the students enjoyed the assistance and advice of decision makers at the firms, and the firms could teach the students with the rules and dictate of trade, which, in turn, had to respect the artistic skills of the students.

3. An international cooperation experience: the Syrian-European Business Centre

64. The experiment of the SEBC was presented and its goals and achievements over the past years were described. The Centre acted as a key enabler for upgrading performance in all sectors of the economy, with special focus on textile and agro-food industries. It also aimed at providing a means for linking Syrian companies to their European and Mediterranean counterparts.

65. In order to support its goals, the SEBC had developed five core services: business upgrading market and export development, information services, training activities, and institutional development. Each one functioned according to well-established operating modes jointly developed with Price Waterhouse/Coopers, a partner in the project.

66. In pursuing those goals, the SEBC collaborated closely with institutional partners such as the Clothing and Textile Development Centre (CTDC), the Japanese International Cooperation Agency (JICA), and the Italian IFC.

67. The SEBC recognized the specific circumstances in which Syrian textile manufacturers operated; mention was made of the high price of yarn, the need for improved know-how and production techniques that should enable small producers to grow into mid-sized enterprises able to deal with world market demands, the industry's desire to have stronger export incentives, and the necessity of establishing a supportive banking network.

4. *German Chambers of Industry and Commerce and other support institutions*

68. An analysis of the vertical and horizontal institutional support system for the textile and garment industry was presented. It was noted that the clothing industry was not included in this presentation, as it had its own support structure. The textile and garment industry was supported mainly by industrial associations and the German Chambers of Industry and Commerce. The network of German associations and chambers were available to companies abroad through the system of German Chambers found in 80 countries around the world. The promotion of bilateral trade and industrial cooperation constituted the main objective of these offices. Foreign companies interested in the German market and in accessing the European internal market through German channels could utilize the German institutional framework. These companies, by contracting the Chambers abroad, would be able to obtain information on and establish contacts with the German business community and could receive the service support explained below.

69. Gesamttextile, the umbrella association for a number of regional and specialized subsector associations, was described as having a highly diversified institutional support system with complementary horizontal and vertical integration. Gesamttextil had two main areas of activity: (a) industrial and economic policy and (b) social and wage policy. Regional associations operating under the Gesamttextile umbrella were located in areas of sector concentration and were mainly concerned with labour, social and wage policy issues.

70. A total of 18 specialized subsector institutions contributed as "information partners" and catered for specific industrial development needs. Gesamttextile and the relevant textile associations elaborated monthly statistics on sector performance and communicated with concerned institutions worldwide on sector-related topics covering international trade and technological issues. They also maintained updated members' databases and communication with interested parties in Germany and abroad. The textile associations were managed by highly qualified professionals and technical personnel. Members received screened business and technological information on fashion trends, standards and specifications, customs and foreign trade regulations, international markets and business trends.

71. The associations were described as the promoters of their industries, mainly through the organization of internationally renowned specialized German fairs and exhibitions in cooperation with industrial and market experts and authorities. Gesamttextile was given credit for its contribution to the organization of world fairs, events which attracted international business and technological communities in Germany. German know-how in fair and exhibition management had recently been exported to new markets where the German textile industry needed support in its presentation in international markets. The attention of the participants was drawn to the fact that Techtex exhibition would be held by Messe Frankfurt in Atlanta in the United States in March 2000. The Federal Ministry of Economy and Technology and Gesamttextile, within a competitive environment in the United States, were promoting technical textiles, one of the growth sectors of the German textile industry. It was indicated that the subsector was receiving focused industrial support in research and design and international trade promotion with State financial resources channeled through sub-sector associations.

72. The horizontal support provided through the German Chambers of Industry and Commerce was more elaborately described. Public law corporations provided various kinds of services and support which included arranging contact in the region and abroad with suppliers, partners and customers; maintaining a service centre that provided company addresses for the purpose of establishing new business contacts;

carrying out a wide range of examination and supervisory tasks; disseminating the latest economic and business information through the publication of a wide range of reports, brochures and information documents, and maintaining a library containing relevant specialized business literature; serving as patrons for business colleges and creating career springboards for young company employees wishing to improve their education and become experts; arbitrating business disputes between retailers and consumers, between employers and apprentices, and between businessmen; and speaking out whenever commercial business interests needed to be represented in public life.

5. *Discussions*

73. The Expert Group Meeting participants recognized the importance of the ILO Manual and expressed their interest in having the Manual translated into Arabic. They expressed their appreciation of the German experience in providing support services; praised ESMOD college and the SEBC for their achievements; and called for the establishment of similar centres and colleges in other countries of the ESCWA region.

E. A METHODOLOGY FOR THE DEVELOPMENT OF A STRATEGY TO ENHANCE THE COMPETITIVENESS OF TEXTILE AND CLOTHING EXPORTS

74. During the session, an agenda for setting up a strategy for enhancing competitiveness in the textiles and clothing industries of the region was discussed. The strategy would be based on competitive advantage rather than on comparative advantage. Competitive advantage relied on specialization and differentiation in higher-value-added products, as against over-reliance on natural resources; on the use of a specialized labour force in management, production, marketing, and research and development (R and D), as against over-reliance on cheap labour to create low-cost, low-quality products; on export-oriented industries with growth potential, as against local market focus, which limited growth; and on public-private sector cooperation as against over-reliance on government protection and initiative. Sources of prosperity in that strategy lay in wealth created by a nation's choices, as against wealth limited by endowments.

75. As an example, development in the textiles and apparel industry in Northern Ireland was presented. It was one of the largest and most important industries in terms of employment and turnover, with diverse products including yarns, fabrics, apparel, floor coverings, and technical textiles. The industry structure was that of a typical small family-owned operation, but because the industry had started losing its competitiveness in price, it had become a sunset industry and had consequently received reduced political support, which created an atmosphere of decline in the industry, with businesses lacking the confidence to invest and banks lacking the confidence to offer long-term funding. However, a look at the success of that industry in Italy proved that the textile and apparel industry could support the higher labour cost. For Northern Ireland to compensate for the higher labour cost, it would be necessary to upgrade the product.

76. From the above it was concluded that there were two generic strategic alternatives for any company or industry: to become a least-cost producer or a value-added producer by differentiating the product through design, service, technology, brand, marketing, and other means. From the experience of the industry in Italy it was shown that a sustainable future presence in the garment industry resulted from investing in high-quality, fashionable brand-name garments produced with flexibility and minimal lead time. It was noted that countries such as Bangladesh, China, and Egypt would always win on a relative-cost basis.

77. In 1995 the Northern Ireland Textile and Apparel Association, the Irish Linen Guild, the Northern Ireland Growth Challenge, and the Department of Trade and Industry began implementing the textile and apparel cluster strategy initiative. They started by researching and then implementing, based on presentations to the industries, a consensus on vision and the establishment of advisory committees.

78. In their search they identified global trends in textiles and apparel, including the quick-response systems, with emphasis on service flexibility, shorter production cycles, increased supplier sensitivity to demand, and cooperation along the supplier chain. Other significant trends included the growing power of retailers, lower-value-added activities shifting to developing countries, intensification of cost competition,

and constant upgrading by other regions. Northern Ireland planned in future to continue the development of a dynamic textile and apparel industry, through emphasis on quality, design, and technology.

79. An exercise in technology foresight revealed that technology was being and would continue to be used by overseas competition. Northern Ireland often lacked knowledge of advances in technology and the financial confidence to invest in it. SME management was fully taken up with day-to-day issues. Disappointment was felt and difficulties encountered in assembling a team owing to the following: (a) lack of industry support; (b) lack of appreciation of practical benefits; (c) lack of enthusiasm by agencies; (d) inability by many to give time to yet another report perceived to be telling the industry that it was inefficient; and (e) belief that sufficient written material existed to eliminate the need to visit other countries and sites. It was believed that despite the lack of support in the environment, much could be accomplished by putting together a strong team drawn from both academia and industry.

80. The process began with brainstorming, and the team decided to visit the Bobbin Show in Atlanta and some companies in the United States of America at various stages of technology use and to conduct a survey of the local industry to assess its attitude towards technology use. The results of the survey indicated that there was little use of local sources of technology awareness and that there were barriers to the use of technology. Those barriers were lack of awareness of technology, fear of change, of the unknown and of the perceived cost of technology, and lack of confidence in the continuity of the market.

81. The factory visits to America revealed the following: (a) production was based on mass customization and the use of information technology, with an increasing stock turn-around ratio of more than 17 per annum; (b) information technology was used through the Internet for real-time linking of all elements of the supply chain; (c) machine down times were decreasing through machine self-diagnosis and information technology links to the machine manufacturer; and (d) teamwork techniques reduced the stock of work in progress.

82. The technology foresight exercise came out with the following two principal recommendations: (a) to create awareness of the availability of technology by benchmarking through visiting, holding university seminars, conducting self-audits and organizing technology presentations and conferences; and (b) to promote coordination, the use of advisory services and education. That was to be done by universities to sell proactively to industry and by agencies to provide technical software advisory services and proactively sell to industry in order to create a one-stop shop for selecting appropriate technology for industry, and to investigate the possibility of promoting industry-wide collaborative R and D efforts.

83. It was learnt from discussions carried out during a visit with Italian garment and textile company executives and entrepreneurs that firms in Italy invested together in R and D and worked together to make the Government sensitive to the enterprises' infrastructure and training needs. They had created a centre for deal-making and bidding on services, equipment and raw materials, and had a common warehouse. They had also created a real-time computer information network with their clients and suppliers. They stressed the fact that cooperation with their suppliers was crucial; they managed critical processes such as dyeing, finishing and printing of cloth. They met weekly and standardized everything; they obtained certificates as official suppliers of major retailers. To continue innovating and adapting, it was understood that small firms had no choice but to cooperate closely with clients and providers. It was concluded that high levels of cooperation amidst high levels of rivalry made up for the small average scale and promoted innovation.

84. The recommendations of the study tour to Italy were the following:

(a) A national textiles archiving policy should be established in order to promote recognition of the value of tradition and cultural identity, and companies should be encouraged to develop archiving policies;

(b) A supply of trained personnel, academics seconded to industry, and industrialists offering assistance within courses or in an advisory capacity through cooperation between the textiles and clothing industry, the design industry, and business education should be provided;

(c) An information centre should be set up for conducting relevant research and establishing communication;

(d) A design and marketing forum should be established (i) to help promote and address the key needs above and (ii) to organize a programme of talks, seminars, visits and study tours on design, design management and education;

(e) Communication and cooperation between industry, Government, and education should be facilitated.

Annex I

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Annex II

LIST OF DOCUMENTS

Symbol	Title
E/ESCWA/ID/1999/WG.2/L.1	Proposed organization of work
E/ESCWA/ID/1999/WG.2/2	Patterns of success in the production and exports of textiles: a case from Syria
E/ESCWA/ID/1999/WG.2/3	Eco-efficiency in textiles, prevention as a win-win situation in cost and environment
E/ESCWA/ID/1999/WG.2/4	Patterns of success in the production and exports of clothing: a case study from Palestine
E/ESCWA/ID/1999/WG.2/5	Investment climate in Jordan with particular stress on textiles and clothing
E/ESCWA/ID/1999/WG.2/6	Non-technology features facing managers in developing countries in the international market in textiles and clothing in the light of globalization
E/ESCWA/ID/1999/WG.2/7	Green Cotton sustainability, LCA, organic farming, ecomanagement and ecolabelling: a commercial approach to environmental marketing
E/ESCWA/ID/1999/WG.2/8	Patterns of success in joint ventures with European partners: a case study from the Syrian Arab Republic
E/ESCWA/ID/1999/WG.2/9	The role of support institutions in textiles and clothing in assisting producers and exporters to cope with the challenges of globalization
E/ESCWA/ID/1999/WG.2/10	Investment climate in Lebanon
E/ESCWA/ID/1999/WG.2/11	Importance of value-added weaving mills and multi-color shuttleless looms
E/ESCWA/ID/1999/WG.2/12	Rules of origin
E/ESCWA/ID/1999/WG.2/13	Agreement on textiles and clothing: suggestions for improved implementation
E/ESCWA/ID/1999/WG.2/14	The European Community's preferential rules of origin
E/ESCWA/ID/1999/WG.2/15	واقع وأفاق صناعة النسيج والملابس في الدول العربية وآثار اتفاقية الغات عليها

Symbol	Title
E/ESCWA/ID/1999/WG.2/16	The new rules of origin regarding textiles and clothing in the EU association agreements: the cases of Jordan, Tunisia, and Morocco
E/ESCWA/ID/1999/WG.2/17	Patterns of success in exporting textiles and clothing to Europe: a case-study from Syria
E/ESCWA/ID/1999/WG.2/18	Patterns of success in the production and export of clothing: a case-study from Lebanon
E/ESCWA/ID/1999/WG.2/19	Competitiveness of Egyptian textiles: a case-study

Annex III

ORGANIZATION OF WORK

Wednesday, 3 November 1999

9.30 – 10 a.m. Registration

10 – 10.30 a.m. Opening ceremony

10.30 – 11 a.m. Break

Session 1: The international environment

Moderator: Bahaa Raafat

11 a.m. – noon Globalization and the textiles and clothing industry: going into the twenty-first century
(U. Yamut Nasser)

International market development and fashion trends and design (K. Fujita)

Technology features of international competitiveness in textiles and clothing
(B. Brucker)

Noon – 1 p.m. Discussions (M. Helal, S. Maqdah, M. Pugh)

1 – 3 p.m. Lunch

Session 2: The international environment (continued)

Moderator: Ahmed Farahat

3 – 4 p.m. The WTO Agreement on Rules of Origin (M. Helal)

The European Community Preferential Rules of Origin (A. Waight)

The new rules of origin regarding textiles and clothing in the EU association agreements:
the cases of Jordan, Tunisia and Morocco (Y. Mansur)

4 – 5 p.m. Discussions (N. Mouzannar, I. Moukarbel, U. Yamut Nasser)

5 – 5.30 p.m. Break

Session 3: International trends in textiles and clothing

Moderator: Hassan Charif

5.30 – 6.30 p.m. Non-technology features facing managers in developing countries in the international
market in textiles and clothing in the light of globalization (M. Pugh)

The Internet and the textiles and clothing industry—going into the twenty-first century
(A. Feghali, G. Antaki)

6.30 – 7 p.m. Discussions (W. Salter, A. Dewachi)

7 – 9 p.m. Reception hosted by ESCWA

Thursday, 4 November 1999

Session 4: Competitiveness in textiles and clothing

Moderator: Samir Maqdah

- 9 – 10 a.m. Green cotton sustainability, LCA, organic farming, ecomanagement and ecolabelling: a commercial approach to environment marketing (L. Norgaard)
- Eco-efficiency in textiles: prevention as a win-win situation in cost and environment (M. Kayyali)
- Application of the *Good House Keeping Guide* in the textiles and clothing industry (S. Jaouni)
- 10 – 11 a.m. Discussions (M. Pugh, H. Morad)
- 11 – 11.30 a.m. Break

Session 5: Specialized support institutions particular to the textiles and clothing industry

Moderator: Suleiman Khattar

- 11.30 a.m. – 1 p.m. Improving working conditions and productivity in the garment industry: an introduction to an action manual (W. Salter)
- Services of a specialized institution from France (V. Du Sert)
- The role of support institutions in textiles and clothing in assisting producers and exporters to cope with the challenge of globalization (L. Chahine, N. Bitar)
- 1 – 2 p.m. Discussions (M. Pugh, S. Maktabi, S. Houssein)
- 2 – 3.30 p.m. Lunch

Session 6: National papers: the investment climate, in particular that relevant to the textile and clothing industry

Moderator: Suleiman Khattar

- | | | |
|------------------|----------------------|------------|
| 3.30 – 5.30 p.m. | Egypt | B. Raafat |
| | Jordan | S. Maqdah |
| | Lebanon | A. Youssef |
| | Syrian Arab Republic | R. Seif |
- 5.30 – 6.30 p.m. Discussions and break

Friday, 5 November 1999

Session 7: The investment climate and the performance of the textiles and clothing industry

Moderator: Yusuf Mansur

- 9 – 10 a.m. The role of chambers of commerce and industry and support institutions and organizations in the development of the textiles and garment sector: experience from Germany (M. Riedel)
- A methodology for the development of a strategy for enhancing competitiveness of exports in the textiles and clothing industry (S. Salti)

Friday, 5 November 1999 (continued)

10 – 10.30 a.m. Discussions (S. Maqdah, B. Raafat, R. Badaro)

10.30 – 11 a.m. Break

Session 8: National papers

Moderator: Houssam Morad

A. Raafaat
R. Badaro
S. Maktabi
H. Abdel Masih

Noon – 12.30 p.m. Discussions

12.30 – 1 p.m. Break

Session 9: Conclusions and recommendations

Moderator: Hassan Charif

1 – 2 p.m. Conclusions and recommendations