THE PORTUGUESE TEXTILE AND CLOTHING INDUSTRY

FACTS AND FIGURES 2018
THE PORTUGUESE T&C INDUSTRY
Main Data

2016

Turnover: 7.347 M€*
Production: 7.136 M€*
Employment: 135.197*
Exports: 5.035 M€*
Imports: 3.932 M€*
Trade Balance: 1.103 M€*
Companies: 12.041*
Societies: 6.190*
Individual companies: 5.851*

2017

Turnover: 7.500 M€**
Production: 7.400 M€**
Employment: 137.000**
Exports: 5.237 M€*
Imports: 4.138 M€*
Trade Balance: 1.098 M€*

*INE (provisional data) / ** ATP forecast.
THE PORTUGUESE T&C INDUSTRY

Main Data Evolution

- **1995** – WTO Agreement on Textiles and Clothing
- **2001** – China joins WTO
- **2001** – Portuguese T&C exports beat record
- **2002** – Euro becomes official currency of the Eurozone
- **2004** – EU Enlargement to the East
- **2005** – Liberalization of the World T&C Trade
- **2008** – Global Economic and Financial Crisis
- **2009** – Worst year of the decade for Portuguese T&C industry
- **2011** – Public Finances Crisis in Portugal

**Source:** INE / EUROSTAT [2016: provisional data ; 2017: ATP forecast]
GEOGRAPHICAL DISTRIBUTION

Turnover by region

- Braga: 57%
- Porto: 24%
- Aveiro: 6%
- Castelo Branco: 3%
- Lisboa: 2%
- Coimbra: 2%
- Viseu: 2%
- Viana do Castelo: 1%
- Outros: 3%
THE PORTUGUESE T&C INDUSTRY

Represents:

10% of national exports / 3% of EU T&C exports

20% of the employment in the Portuguese Manufacturing Industry / 8% of the EU T&C Employment

9% of the turnover in the Portuguese Manufacturing Industry / 4% of the EU T&C turnover

9% production in the Portuguese Manufacturing Industry/ 4% of the EU T&C production
EU Textile & Clothing Industry

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy</td>
<td>31%</td>
<td>Italy</td>
<td>28%</td>
<td>Italy</td>
<td>24%</td>
</tr>
<tr>
<td>Germany</td>
<td>17%</td>
<td>Poland</td>
<td>9%</td>
<td>Romania</td>
<td>11%</td>
</tr>
<tr>
<td>France</td>
<td>13%</td>
<td>Czech Rep.</td>
<td>9%</td>
<td>Poland</td>
<td>9%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>7%</td>
<td>Portugal</td>
<td>8%</td>
<td>Portugal</td>
<td>8%</td>
</tr>
<tr>
<td>Spain</td>
<td>6%</td>
<td>United Kingdom</td>
<td>5%</td>
<td>Germany</td>
<td>7%</td>
</tr>
<tr>
<td>Portugal</td>
<td>4%</td>
<td>Spain</td>
<td>5%</td>
<td>United Kingdom</td>
<td>6%</td>
</tr>
<tr>
<td>Belgium</td>
<td>3%</td>
<td>Germany</td>
<td>4%</td>
<td>France</td>
<td>6%</td>
</tr>
<tr>
<td>Poland</td>
<td>3%</td>
<td>Greece</td>
<td>4%</td>
<td>Bulgaria</td>
<td>6%</td>
</tr>
<tr>
<td>Romania</td>
<td>2%</td>
<td>Hungary</td>
<td>4%</td>
<td>Spain</td>
<td>5%</td>
</tr>
<tr>
<td>Austria</td>
<td>2%</td>
<td>Romania</td>
<td>4%</td>
<td>Czech Rep.</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: according to EURATEX information
## THE PORTUGUESE T&C INDUSTRY

### MAIN CLIENTS 2017
(Share / evolution)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Share</th>
<th>Evolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.º</td>
<td>Spain</td>
<td>34%</td>
<td>-1%</td>
</tr>
<tr>
<td>2.º</td>
<td>France</td>
<td>12%</td>
<td>6%</td>
</tr>
<tr>
<td>3.º</td>
<td>Germany</td>
<td>9%</td>
<td>4%</td>
</tr>
<tr>
<td>4.º</td>
<td>UK</td>
<td>8%</td>
<td>-2%</td>
</tr>
<tr>
<td>5.º</td>
<td>USA</td>
<td>6%</td>
<td>20%</td>
</tr>
<tr>
<td>6.º</td>
<td>Italy</td>
<td>5%</td>
<td>11%</td>
</tr>
<tr>
<td>7.º</td>
<td>Netherlands</td>
<td>4%</td>
<td>11%</td>
</tr>
<tr>
<td>8.º</td>
<td>Sweden</td>
<td>2%</td>
<td>0%</td>
</tr>
<tr>
<td>9.º</td>
<td>Belgium</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>10.º</td>
<td>Denmark</td>
<td>1%</td>
<td>2%</td>
</tr>
</tbody>
</table>

**EU27.EXTRA (17%): 13%**  
**EU27.INTRA (83%): 2%**  
**TOTAL: 4%**

### MAIN SUPPLIERS 2017
(Share / evolution)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Share</th>
<th>Evolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.º</td>
<td>Spain</td>
<td>38%</td>
<td>1%</td>
</tr>
<tr>
<td>2.º</td>
<td>Italy</td>
<td>12%</td>
<td>3%</td>
</tr>
<tr>
<td>3.º</td>
<td>Germany</td>
<td>7%</td>
<td>9%</td>
</tr>
<tr>
<td>4.º</td>
<td>France</td>
<td>7%</td>
<td>2%</td>
</tr>
<tr>
<td>5.º</td>
<td>China</td>
<td>6%</td>
<td>9%</td>
</tr>
<tr>
<td>6.º</td>
<td>India</td>
<td>5%</td>
<td>20%</td>
</tr>
<tr>
<td>7.º</td>
<td>Netherlands</td>
<td>4%</td>
<td>6%</td>
</tr>
<tr>
<td>8.º</td>
<td>Belgium</td>
<td>3%</td>
<td>6%</td>
</tr>
<tr>
<td>9.º</td>
<td>Turkey</td>
<td>3%</td>
<td>9%</td>
</tr>
<tr>
<td>10.º</td>
<td>Pakistan</td>
<td>3%</td>
<td>16%</td>
</tr>
</tbody>
</table>

**EU27.EXTRA (23%): 12%**  
**EU27.INTRA (77%): 3%**  
**TOTAL: 5%**
THE PORTUGUESE T&C INDUSTRY

PORTUGUESE TEXTILE AND FASHION INDUSTRY Faced several competitive shocks:
A continuous turmoil made of many succeeding crisis

- 1995-2005: LIBERALIZATION OF WORLD TEXTILE TRADE (END OF MFA)
- 2001: CHINA’S ADMISSION ON WTO (OVERWHELMING COMPETITION BY THE OVERSIZED DIMENSION OF THE PLAYER AND NO RESPECT FOR ELEMENTARY INTERNATIONAL TRADE RULES INCLUDING RECIPROCITY)
- 2002: EURO BECAME THE CURRENCY FOR PORTUGAL AS WELL FOR SEVERAL COUNTRIES (EUROZONE)
- 2004: EUROPEAN UNION ENLARGEMENT TO EAST (NEW PLAYERS / NEW COMPETITORS)
- 2008: ECONOMIC AND FINANCIAL GLOBAL CRISIS (SUBPRIME CRISIS ➔ GLOBAL CONSUMPTION CRISIS)
- 2011: PORTUGUESE SOVEREIGN DEBT CRISIS (INTERNAL FINANCIAL MARKET CRISIS AND INTERNAL CONSUMPTION MARKET DOWNTURN)
THE PORTUGUESE T&C INDUSTRY

REASONS FOR THE SUCCESSFUL CHANGE
TEXTILE INDUSTRY MADE OF SME’S
NORMALLY FAMILY OWNED AND MANAGED

BELIEVING IN THEIR OWN PRECIOUS AND PRESERVED
KNOW-HOW, TRADITION, CAPACITIES AND STRENGTH,
RESILIENCE AND WILLING TO PREVAIL
NATURAL CLUSTER
85% OF COMPANIES OF THE SECTOR FROM DESIGN TO DISTRIBUTION, INCLUDING EVERY INDUSTRIAL SUBSECTORS ARE LOCATED IN A SMALL GEOGRAPHIC REGION, WORKING IN A SYNERGIC RELATIONSHIP, WELL SERVED WITH GOOD INFRASTRUCTURES AND VERY NEAR FROM THEIR MAIN MARKETS

MOST PART OF THE COMPANIES TECHNOLOGICAL UPDATED

COMPETITIVE ADVANTAGE
DEVELOPED SCIENTIFIC AND TECHNOLOGY SYSTEM: **UNIVERSITIES** (UM, UP, UA, UBI) WITH A STRONG LINK WITH INDUSTRY

TEXTILE TECHNOLOGICAL CENTRES: CITEVE AND CENTI

GENUINE INTERFACES WITH COMPANIES AND THEIR NEEDS

+ TRAINING CENTRES: MODATEX (ALSO FASHION SCHOOL)

+ INTERNATIONALIZATION PROGRAMMES: ASM

+ INSTITUTIONAL AND STRATEGIC THINK TANK: ATP
PUBLIC POLICIES
INTERNATIONALLY: WERE SUPPORTING PORTUGUESE TEXTILE INDUSTRY IN EUROPEAN UNION AND WTO
INTERNALLY: FROM HOSTILITY IN THE NEAR PAST TO A REINDUSTRIALIZATION MODEL FOR THE ECONOMY NOWADAYS

ALTHOUGH, IN FACT TEXTILE INDUSTRY NEVER SUFFERED THE U.E. FUNDING EXCLUSION, SPECIALLY IN AREAS AS INNOVATION, TRAINING AND INTERNATIONALIZATION
GLOBALIZATION

MORE AND HARDER COMPETITION
NEW PLAYERS SHOWING NO FREE AND FAIR PLAY IN INTERNATIONAL BUSINESS
NO RECIPROCITY IN INTERNATIONAL TRADE

NEVERTHELESS, NEW OPPORTUNITIES IN FAST FASHION MODELS WHICH FITTED PERFECTLY WITH PORTUGUESE TEXTILE INDUSTRY STRONGER COMPETENCES: FLEXIBILITY, ADAPTABILITY, GEOGRAPHIC AND CULTURAL PROXIMITY, SHORT LEAD TIME RESPONSE, COSTUMERS’ SERVICE ORIENTED
WHAT PORTUGUESE TEXTILE INDUSTRY HAD TO DO IN ORDER TO CHANGE:

COMPANIES RESTRUCTURING:
CUT UNNECESSARY JOBS, EQUIPMENT’S MODERNIZATION,
REORGANIZATION OF PROCESSES AND BETTER GOVERNANCE

INDUSTRIAL SPECIALIZATION AND
DIVERSIFICATION TO TECHNICAL TEXTILES

PRODUCTS AND SERVICES DIFFERENTIATION BY
FASHION AND DESIGN, TECHNOLOGY AND SERVICE

FOCUS ON THE CLIENT: MORE SERVICE THAN PRODUCT
(TOP QUALITY PRODUCTION, SHORTER LEAD TIMES RESPONSE,
FULL SERVICE PACKAGE )

ENHANCE EXPORT MARKETS:
MORE PRESENCE IN TEXTILES AND FASHION EXHIBITION ALL
OVER THE WORLD TO EXPAND TRADITIONAL AND EMERGING
MARKETS
THE PORTUGUESE T&C INDUSTRY

RESUMING

3 FUNDAMENTAL SHIFT CHANGES:

FROM COMPETITION BASED ON PRICE
TO COMPETITION BASED ON VALUE
(DIFFERENTIATION BY DESIGN, FASHION,
TECHNOLOGICAL INNOVATION AND SERVICE)

FROM ORDER TAKERS TO SOLUTION SELLERS
(BY INCREASING EXPORT PROGRAMMES TO SUPPORT
INTERNATIONAL TRADE MISSIONS AND FAIRS PARTICIPATION)

FROM INDIVIDUALISTIC BUSINESS APPROACH
TO STRATEGIC ORIENTATION
(STRATEGIC PLAN MADE BY ATP TOGETHER WITH PUBLIC POLICIES
FOCUS ON REINDUSTRIALIZATION, INNOVATION AND EXPORT)
THE PORTUGUESE T&C INDUSTRY

AND THE FUTURE?:
The objectives of the strategic plan until 2020 are already achieved, we must look now to 2030.

THE GOAL:
To become the world leader textile and fashion industry cluster for niche add value markets.

INVEST IN:

PEOPLE (Education and training, entrepreneurship): new higher qualified professionals and new entrepreneurs in fashion business (industry, brands, services).

TECHNOLOGY: keep and develop new materials, product and process engineering know-how and skills (industry 4.0).

DESIGN: full service to costumers, new brands, digital market.

INTERNATIONAL: more exports, more add value exported and more export companies in the business.

IMAGE: attracting new talent internally and reinforce the value of the label “made in Portugal” worldwide.
ATP – Associação Têxtil e Vestuário de Portugal
R. Fernando Mesquita, 2785 - Edifício do CITEVE
4760-034 VILA NOVA DE FAMALICÃO
Portugal

Tel.: (+ 351) 252 30 30 30
Fax: (+ 351) 252 30 30 39
E-mail: atp@atp.pt

www.atp.pt
www.facebook.com/ATP.PORTUGAL
www.facebook.com/FashionFromPortugal