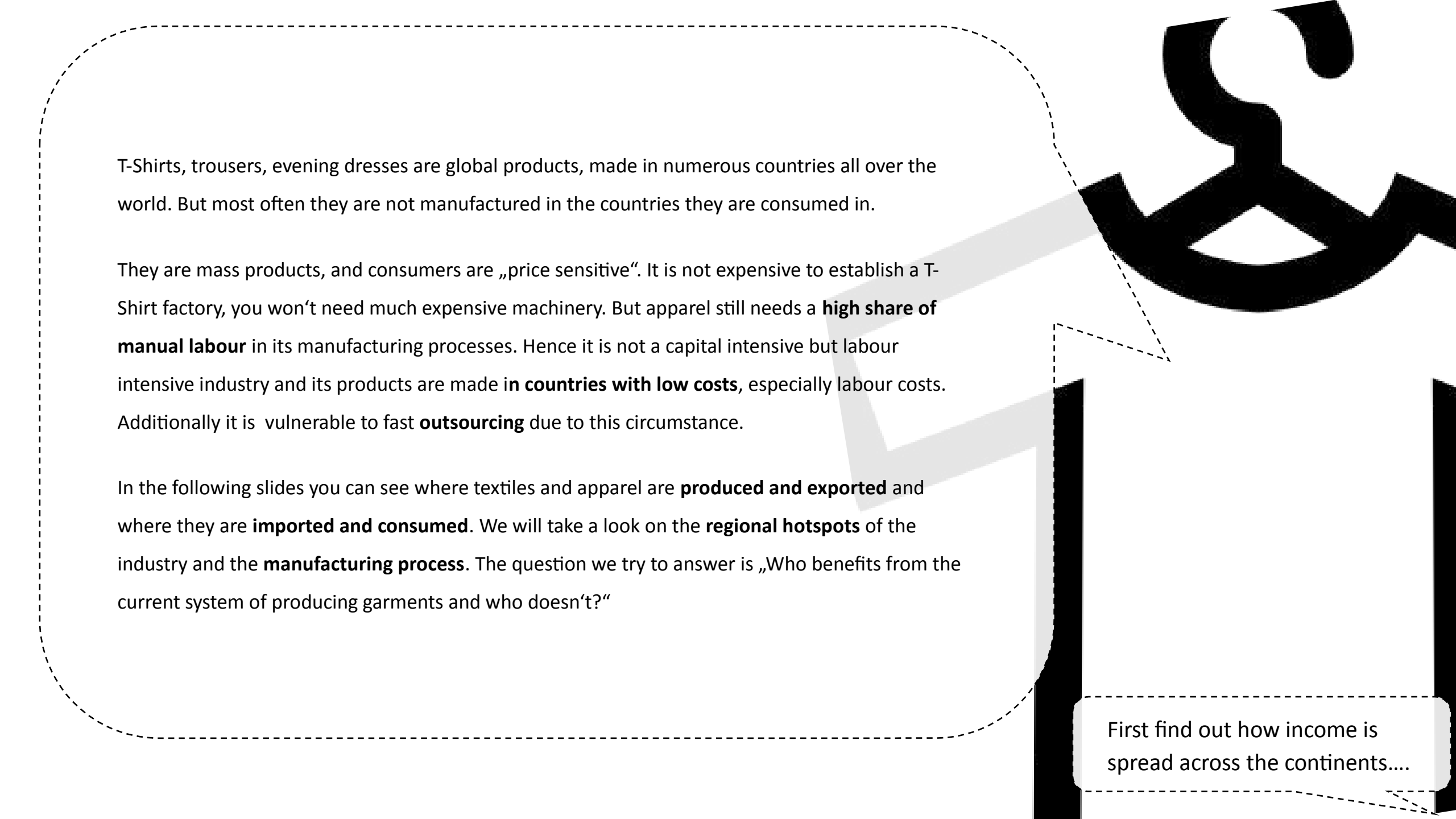


Axel Schröder, Clean Clothes Campaign/INKOTA-netzwerk

A Global Product made in...





T-Shirts, trousers, evening dresses are global products, made in numerous countries all over the world. But most often they are not manufactured in the countries they are consumed in.

They are mass products, and consumers are „price sensitive“. It is not expensive to establish a T-Shirt factory, you won't need much expensive machinery. But apparel still needs a **high share of manual labour** in its manufacturing processes. Hence it is not a capital intensive but labour intensive industry and its products are made in **countries with low costs**, especially labour costs. Additionally it is vulnerable to fast **outsourcing** due to this circumstance.

In the following slides you can see where textiles and apparel are **produced and exported** and where they are **imported and consumed**. We will take a look on the **regional hotspots** of the industry and the **manufacturing process**. The question we try to answer is „Who benefits from the current system of producing garments and who doesn't?“

First find out how income is spread across the continents....

World

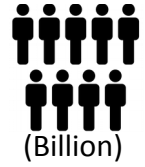
Europe

North America

Latin America

Africa

Oceania



7.420

Population



15.400

Average income per capita



299

Textiles exported
(intra- and extra-continental)



242

Textiles imported
(intra- and extra-continental)



464

Apparel exported
(intra- and extra-continental)

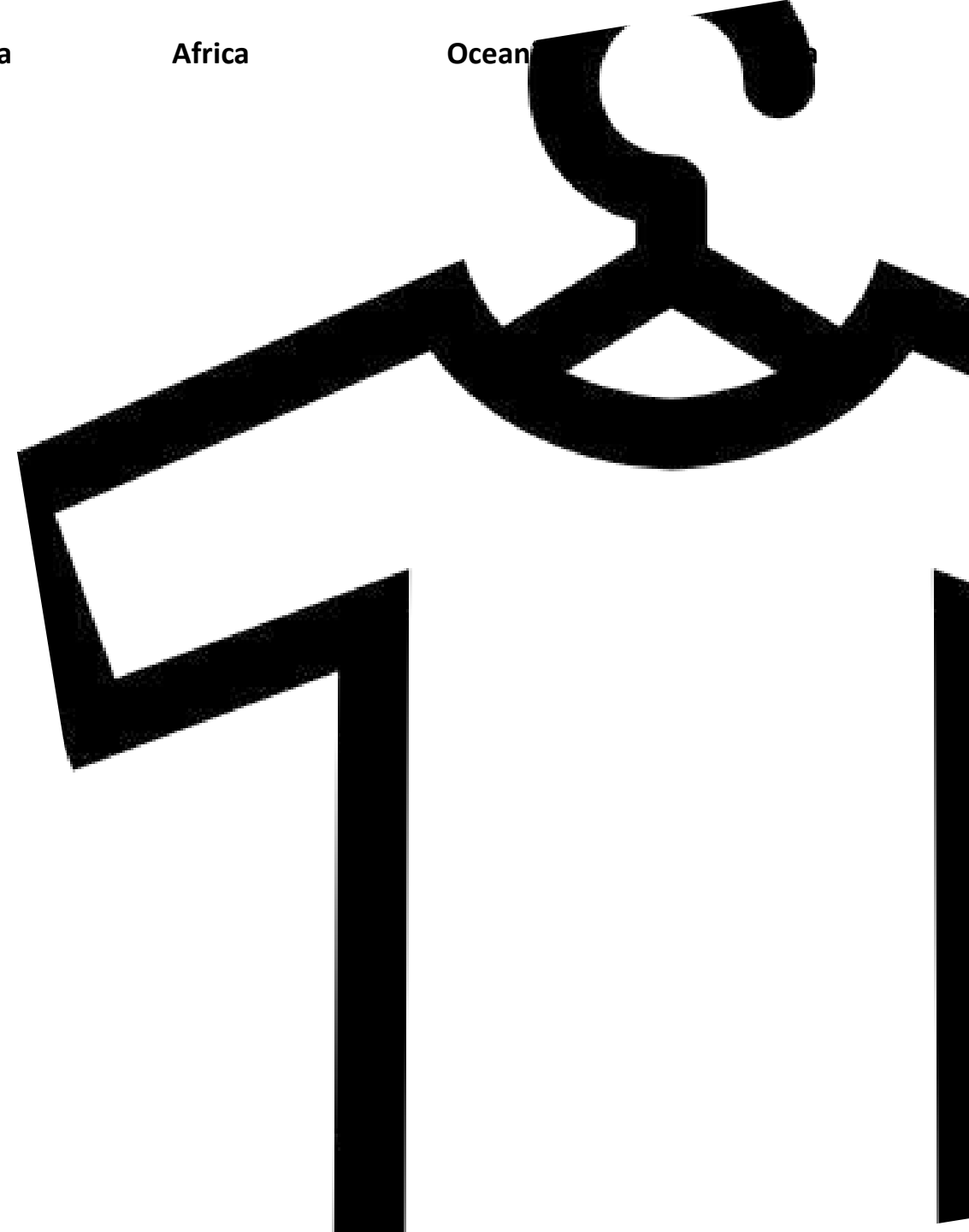


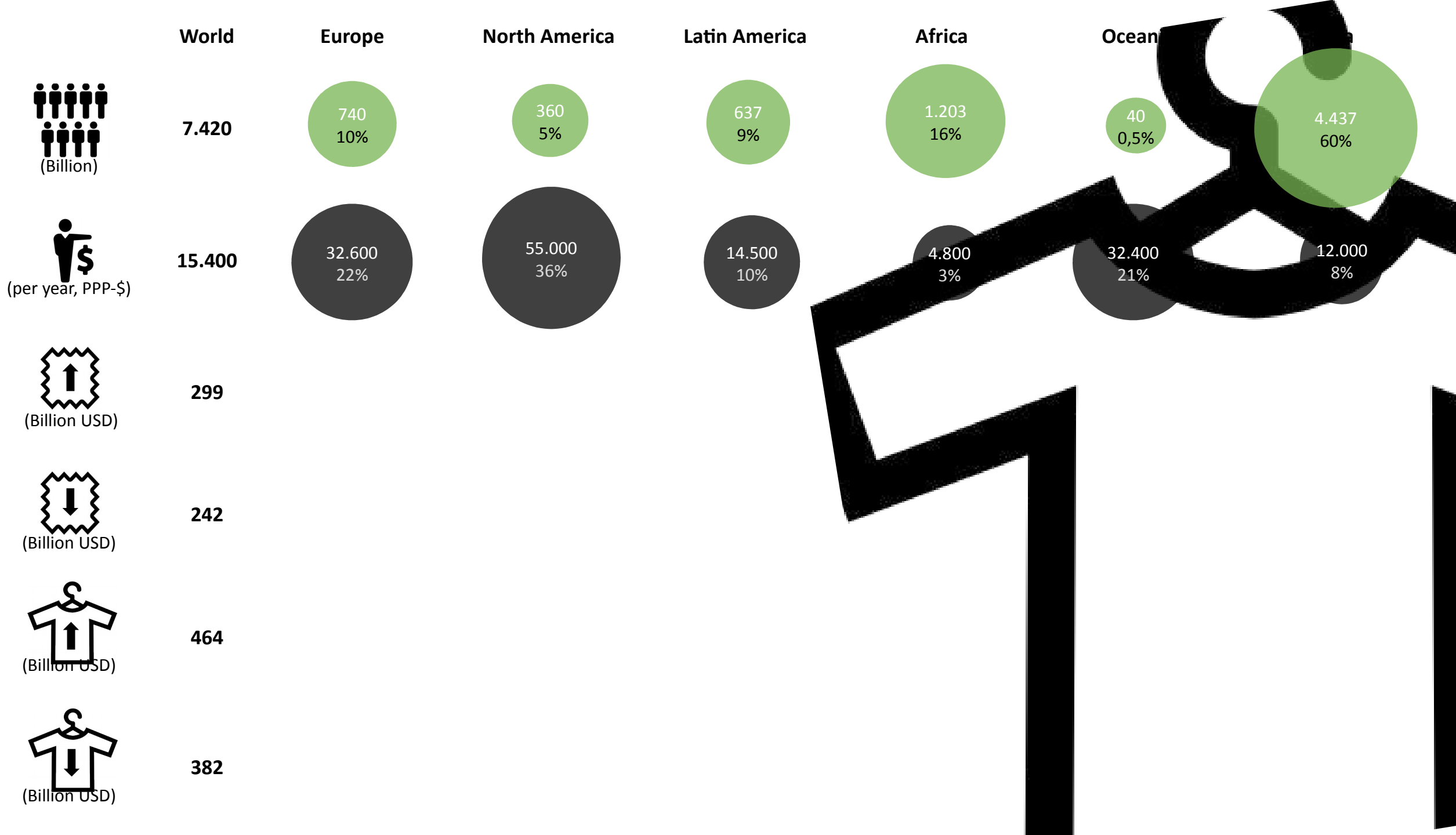
382

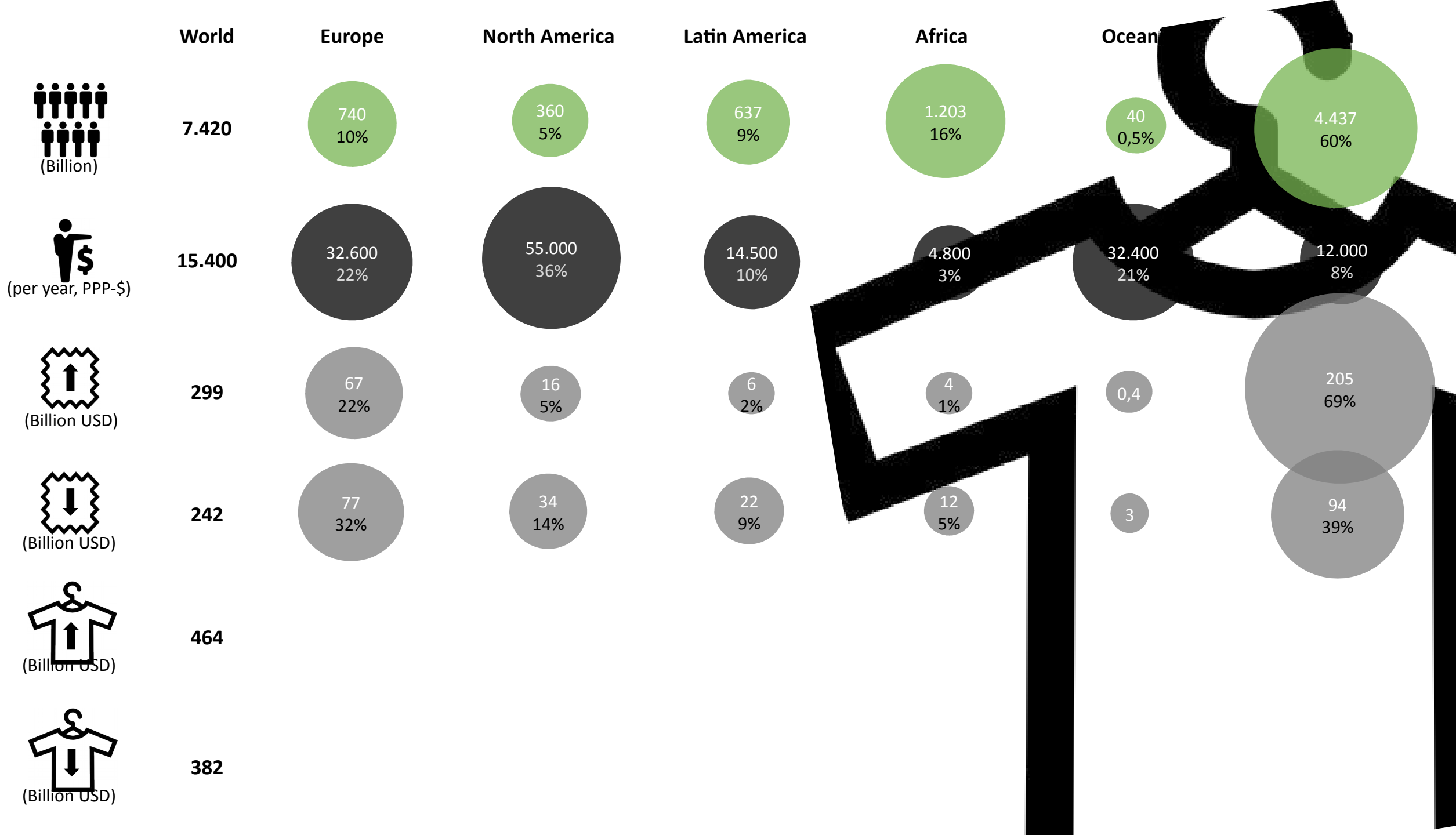
Apparel imported
(intra- and extra-continental)

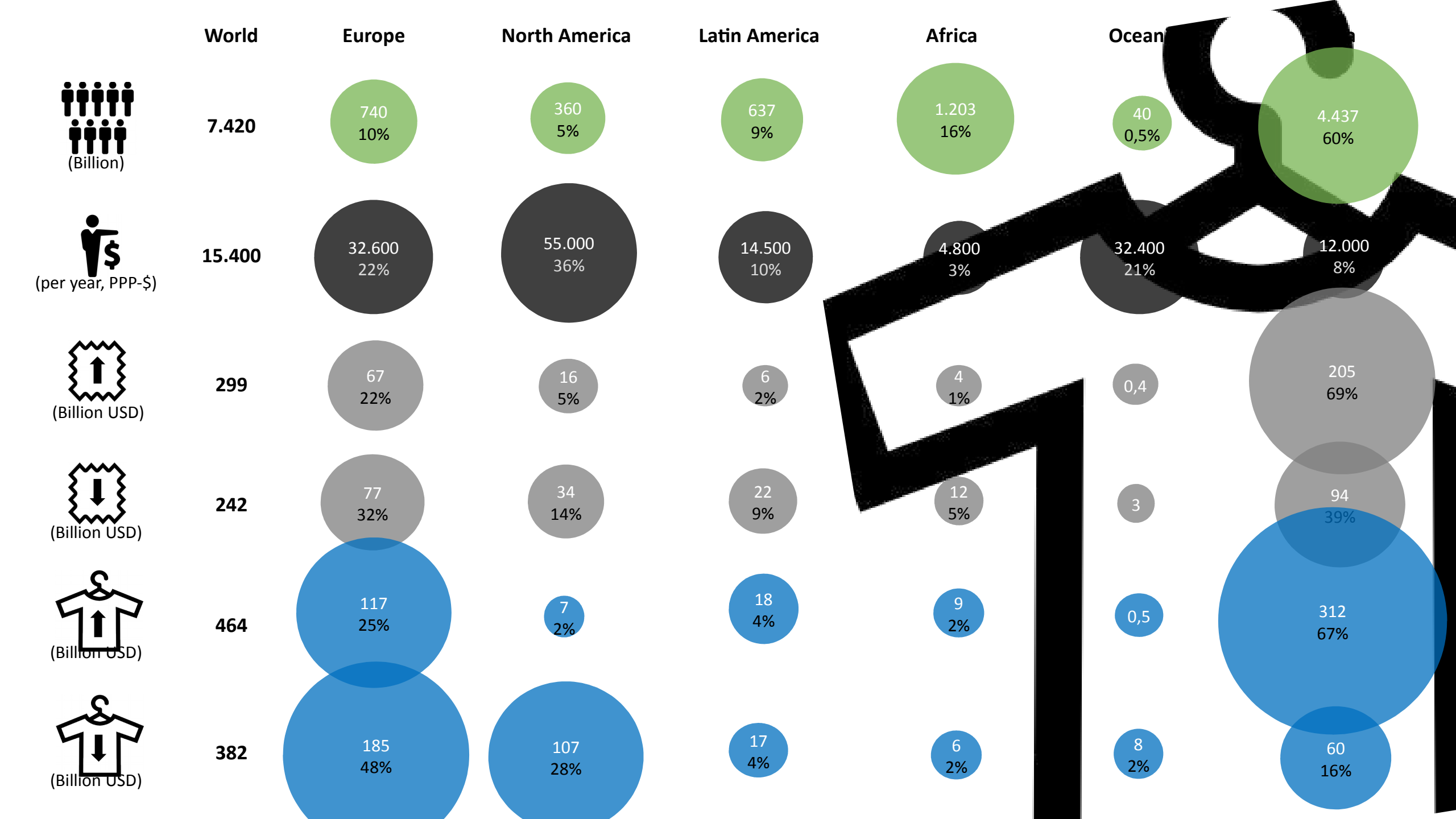
Absolute number
World share

Figures: 2015









World

Europe

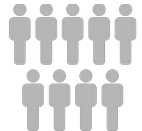
North America

Latin America

Africa

Oceania

Asia



(Billion)



(per year, PPP-\$)



(Billion USD)



(Billion USD)



(Billion USD)



(Billion USD)

While being the **top producing and exporting region** in textiles and garments intra- and extra-continentially, Asia has one of the **lowest average incomes per capita in the world**. Producing textiles and garments is very important for many national economies in Asia, e.g. Cambodia, Bangladesh, Vietnam etc. The labour intense industry also employs a great number of people in this region. But because of low trading prices paid and very low wages, **neither economies nor workers profit sufficiently**.

Please mind that the high amounts in exports and imports are not only due to trade between Asia and other regions but also because of a high ratio of trade between the Asian countries, especially in textiles. **China takes a high share of these figures.**

4.437
60%12.000
8%205
69%94
39%312
67%60
16%

World

Europe

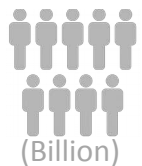
North America

Latin America

Africa

Oceania

Asia

740
10%32.600
22%67
22%77
32%117
25%185
48%

Surprisingly, **Europe is at second place** in exporting textiles and apparel. Despite many people's expectations, quite a lot of garments are manufactured in Eastern Europe, Spain and Portugal – again, the poorer regions of the continent.

But also high income countries in Europe produce textiles and garments. The first are mainly more **capital intensive technical textiles**, the latter are **high-priced garments** with higher trade values than those from low-income countries in other regions and thus a greater impact on the numbers shown here.

4.437
60%12.000
8%205
69%94
39%312
67%60
16%

Hotspots of apparel manufacturing

A world map with green circles of varying sizes indicating apparel manufacturing hotspots. The largest circles are in China and India. Other significant circles are in Mexico, Central America, Eastern Europe, Turkey, and North Africa. Smaller circles are scattered across Southeast Asia and the Middle East.

This slide shows the hotspots of apparel manufacturing for export (to high-income countries such as Germany or the US):

East-, South-, and Southeast Asia,

Central America,

Eastern Europe,

Turkey and North Africa

But how is
apparel made?

Manufacturing apparel

Raw Materials

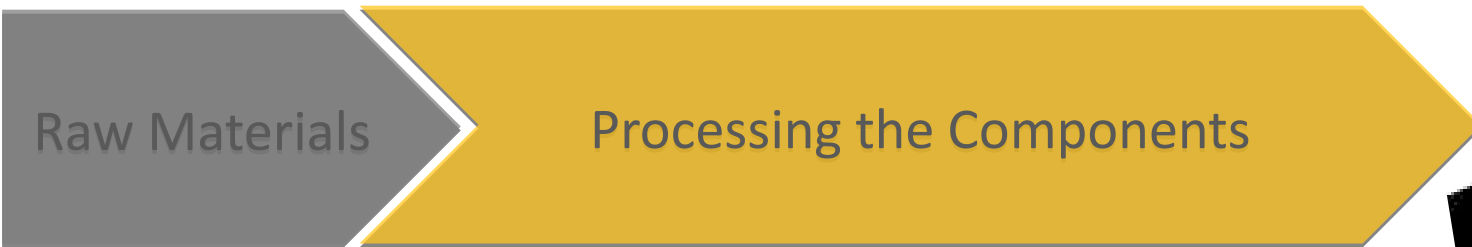
Extraction and
Production of Raw
Materials

India

Nigeria

Manufacturing apparel takes a lot of processes to be completed one after another. To put it simply, **Raw Materials** such as cotton, wool or oil are harvested or extracted first. This can happen all over the world as there are many raw materials which can be used for textiles and garments.

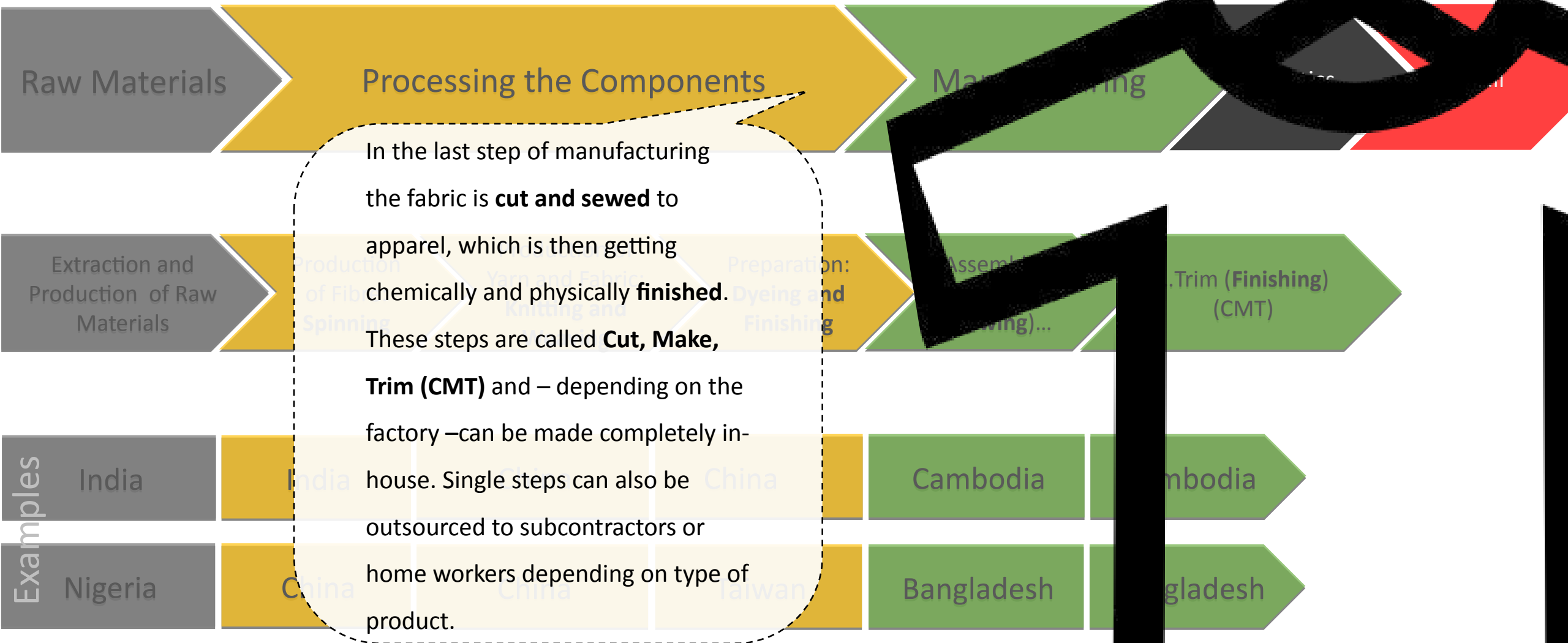
Manufacturing apparel



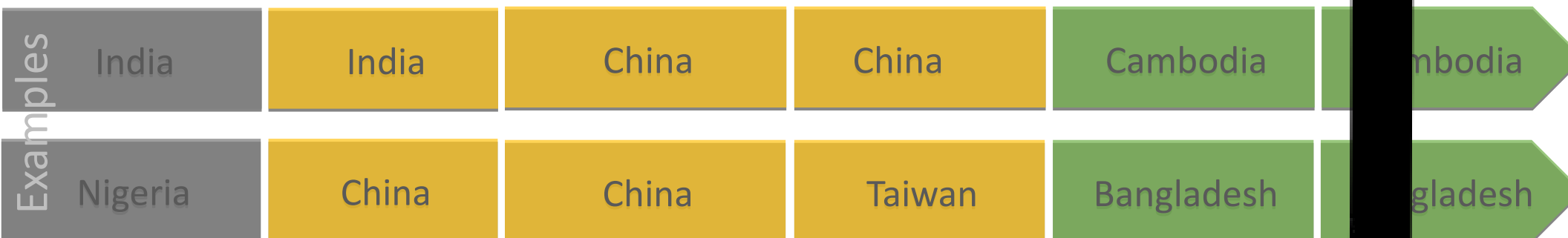
Examples	India	India	China	China
	Nigeria	China	China	Taiwan

Raw materials are then processed to **fibres** and **yarn** and afterwards woven or knitted to **fabric** and **textiles**. They need to be **dyed** and **finished**. Most of these steps are done by machinery and are rather independent from the place of production of their raw materials.

Manufacturing apparel

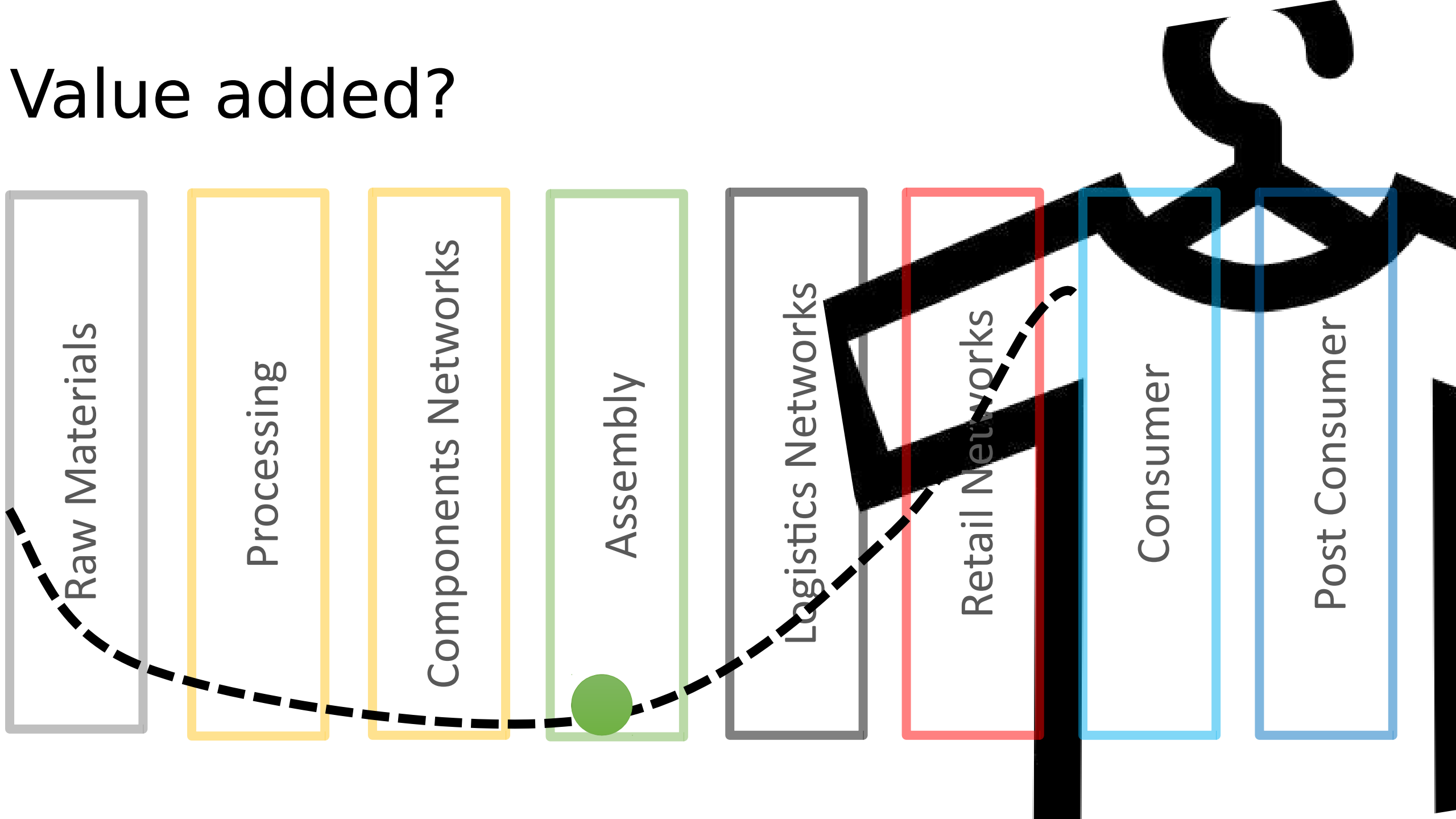


Manufacturing apparel

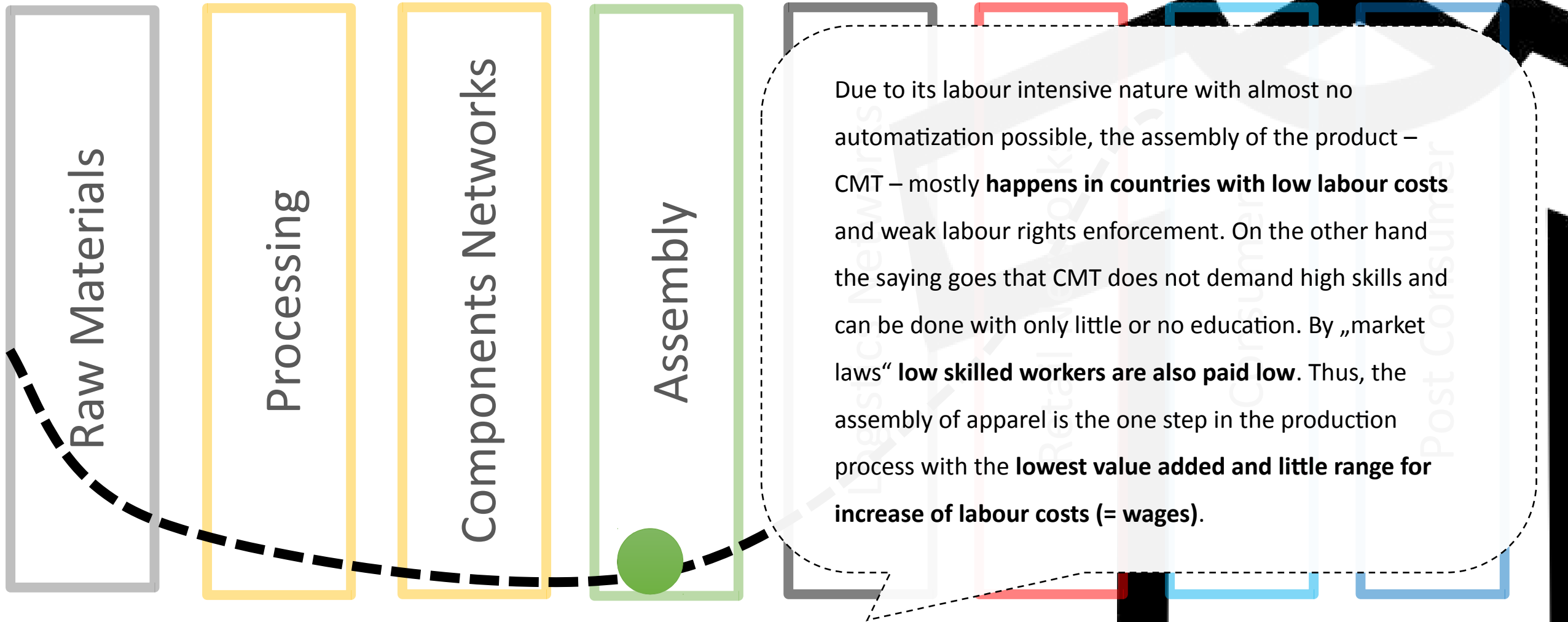


Reality indeed looks different...

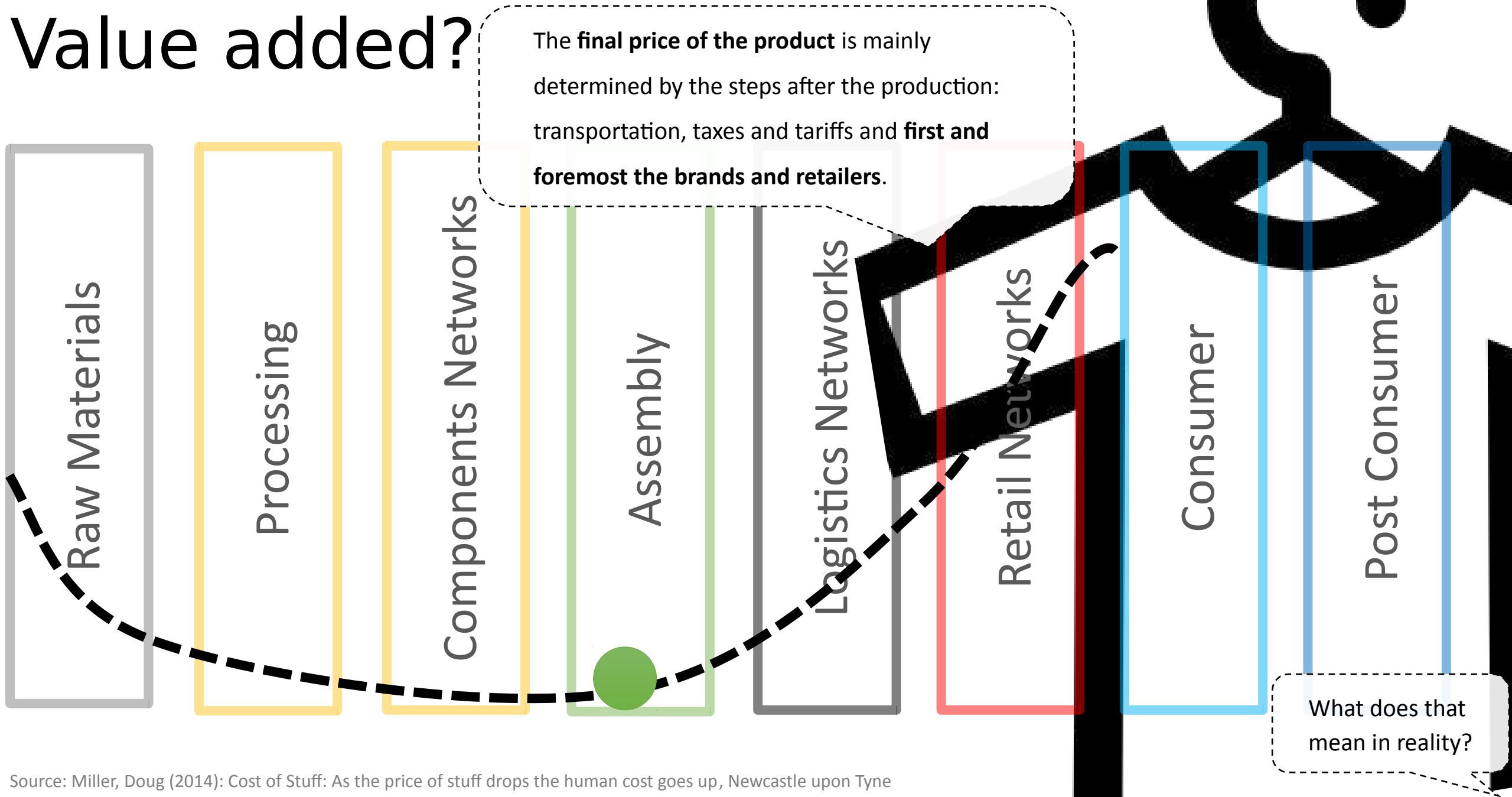
Value added?



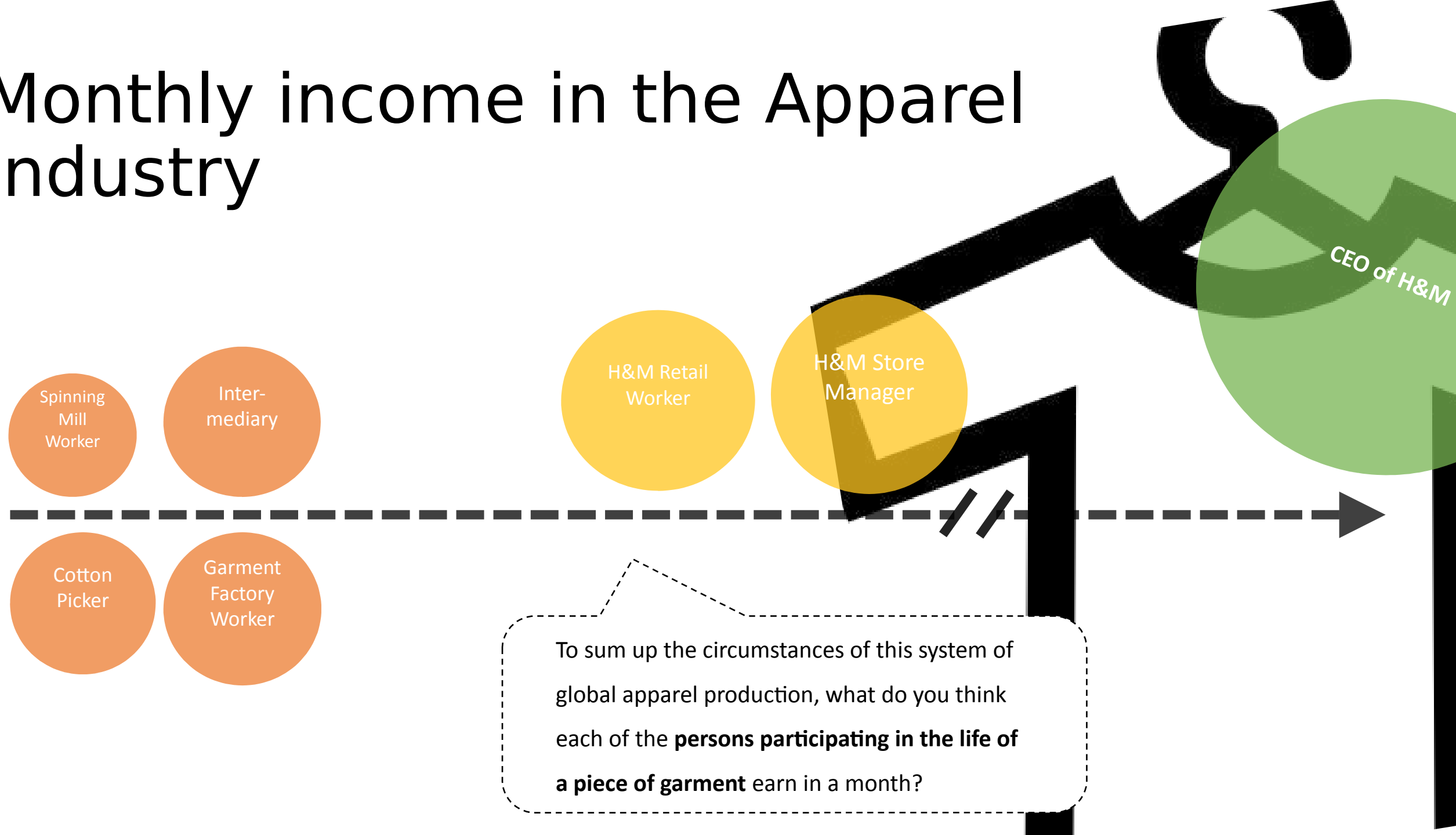
Value added?



Value added?



Monthly income in the Apparel Industry



Monthly income in the Apparel Industry

Spinning
Mill
Worker
€ 36¹

Inter-
mediary
?⁴

Cotton
Picker
€ 56²

Garment
Factory
Worker
€ 63³

H&M Retail
Worker
€ 2.600⁵

H&M Store
Manager
€ 5.100⁶

CEO of H&M
?⁷

Estimations

¹ Average in India, € 20 to 53 per month // ² € 1,50 per day average in India. Sometimes nothing (e.g. in Uzbekistan due to forced labour). In the US ca. € 3.100 // ³ Minimum wage in Bangladesh // ⁴ No info available // ^{5,6} Average in Germany // ⁷ Salary unavailable, maximum annual bonus of € 90.000 per year.

Sources: <https://cleanclothes.org/resources/publications/factsheets/general-factsheet-garment-industry-february-2015.pdf>, <https://www.glassdoor.de/Gehalt/H-and-M-Geh%C3%A4lter-E11918.htm>



Thank you for your attention!

This short introduction reflects only a small proportion of what the global garment industry is all about. But so far, we've heard that it is sensitive to labour costs, thus relies heavily on production in low-income and industrializing countries (or: the periphery of the „western world“) and doesn't benefit the income of these economies and their workers substantially.

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