

PROSPECTS FOR FASHION AND GARMENT INDUSTRY IN THE ECONOMIC DEVELOPMENT OF THE CARIBBEAN

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PLAN

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Panoramic view on the textiles and clothing industry

I. INTERNATIONAL CONTEXT

- ❖ During years 60 - 70, textile and clothing industry is highly internationalized with the fragmentation of production processes and the use of subcontracting.
- ❖ Open markets and relocations that resulted in greatly contributed to the expansion of this industry.

Panoramic view on the textiles and clothing industry

I. INTERNATIONAL CONTEXT

- ❖ The entry of China, currently the world's first country of supply, the WTO has been crucial in the evolution of this industry..
- ❖ Today, the garment and textile industry (textiles, clothing and luxury), held a very important place in the world economy, reaching a turnover of 3,000 billion US dollars in 2011 (Martin, 2013).

Panoramic view on the textiles and clothing industry

I. INTERNATIONAL CONTEXT

- ❖ This industry has played a major role in advancing a number of emerging countries.
- ❖ The newly industrialized countries (NICs) of Asia have experienced impressive growth rate of added value and productivity, relying in particular on this sector.
- ❖ The textile and clothing market is characterized by strong near-total hegemony of Asia provides 80% of world exports, Europe lying in second with 15%.

Panoramic view on the textiles and clothing industry

I. INTERNATIONAL CONTEXT

- ❖ According to the International Labor Organization (ILO), more than 60 million workers, mainly women, internal migrants and unskilled workers employed in the textile, clothing and footwear.
- ❖ Through this sector, 4 million direct jobs have been created in Bangladesh, 70% for women.
- ❖ The textile industry and clothing therefore has the potential to contribute significantly to the development due to its weight in the economy and help reduce poverty.

Panoramic view on the textiles and clothing industry

II. NATIONAL CONTEXT

- ❖ Despite the improvement seen, extreme poverty rate increasing from 31% in 2000 to 24% in 2012;
- ❖ The socio-economic situation in Haiti remains quite fragile;
- ❖ The country remains the poorest in the Americas with 6.3 million people living in poverty, or 58.8% of the population and 2.5 million in extreme poverty in 2012.
- ❖ By 2012, one million Haitians were in a vulnerable position and could, after a shock of various kinds, find themselves in poverty in 2012.

Panoramic view on the textiles and clothing industry

II. NATIONAL CONTEXT

- ❖ Is partly due to the high unemployment plaguing the country;
- ❖ The expanded unemployment rate stands at 29% and mainly affects women (50%) and young (60%), which has led many organizations to talk about the feminization of poverty in Haiti.
- ❖ With unemployment so high, the participation rate in the labor market in Haiti is the lowest in the region of Latin America and the Caribbean.
- ❖ Only 60% of the working age population are active.
- ❖ According to the work performed, categorization can be made as follows:
 - ❖ agriculture employed : 47%,
 - ❖ non-agricultural informal sector: 45% ,
 - ❖ formal private sector: 5%,
 - ❖ and in the sector public: 3% .

Panoramic view on the textiles and clothing industry

II. NATIONAL CONTEXT

- ❖ Moreover, almost 60% of poor people are self-employed working in the informal sector.
- ❖ Extreme poverty is found more in rural areas and tends to stagnate around 40%.
- ❖ Moreover, income inequality rate has stagnated at 0.61 in the Gini coefficient for over 10 years, Haiti being the country most "unequal" in the area of Latin America and the Caribbean in terms wealth distribution.
- ❖ Income disparity worsened in rural areas during the period 2000-2012.
- ❖ The diversification of the rural economy and the integration of the textile industry could contribute to poverty reduction in rural areas.

Panoramic view on the textiles and clothing industry

III. HAITI- TEXTILES AND CLOTHING INDUSTRY

- ❖ the textile industry and clothing also plays a fundamental role in the economy.
- ❖ This sector represents over 80% of total exports.
- ❖ In 2009, Haiti exported apparel to the United States for \$ 514 million.
- ❖ In 2012, this value increased to \$ 731 million, an increase of over 40% of the value of exports of clothing (Better Work, Haiti).
- ❖ In September 2013, apparel exports from Haiti to the United States were 10% higher compared to the volume registered during the same period in 2012.
- ❖ In 2013, the total export earnings of the textile and clothing industry accounted for 91% of export revenues (\$ 804 million) and 9% of GDP (\$ 84 million).

Panoramic view on the textiles and clothing industry

III. HAITI- TEXTILES AND CLOTHING INDUSTRY

- ❖ the textile industry and clothing also plays a fundamental role in the economy.
- ❖ The clothing industry is one of the largest employers of Haiti, allowing over 30 000 people to be employed in 2012, of which 65% are women (Better Work, Haiti).
- ❖ In 2014s, about 25 companies operating in the sector of outsourcing in which Haiti and Industrial Development Company SA (CODEVI SA) based in Ouanaminthe.
- ❖ A new industrial park was inaugurated in the North East department in the framework of the implementation of the Strategic Plan of Development of Haiti (PSDH) set up after the earthquake of 12 January 2010.



Panoramic view on the textiles and clothing industry

III. HAITI- TEXTILES AND CLOTHING INDUSTRY

- ❖ The geographical situation of Haiti, close to major North American markets and the Panama Canal including the enlargement process is underway, the moderate cost of labor and the existence of HOPE offering access privileged to Haiti to enter the US market represent great opportunities for the textile, clothing and leather.
- ❖ Several international organizations including the Inter-American Development Bank (IDB) provide considerable support to Haiti in order to promote the development of the textile sector.
- ❖ Institutions and individuals (New York designers and Italian among others) private sector of the US business and the American Catholic Church have repeatedly expressed a vis-à-vis interest in this sector.
- ❖ This tendency to attract the private sector of other countries operating in the business segment "middle and up skill" of the garment industry highlights the potential that Haiti can enjoy.

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- ❖ This tendency to attract the private sector of other countries operating in the business segment "middle and up skill" of the garment industry highlights the potential that Haiti can enjoy.
- ❖ However, the lack of organization of some companies within the sector and the low skills of the local workforce have not allowed the country to exploit opportunities.

**Thank you !
and
QUESTIONS?**